

COMPARATIVE DATA REPORT ON MEDICAID

A Report Submitted to the

FISCAL AFFAIRS AND GOVERNMENTAL OPERATIONS COMMITTEE

Southern Legislative Conference

Council of State Governments

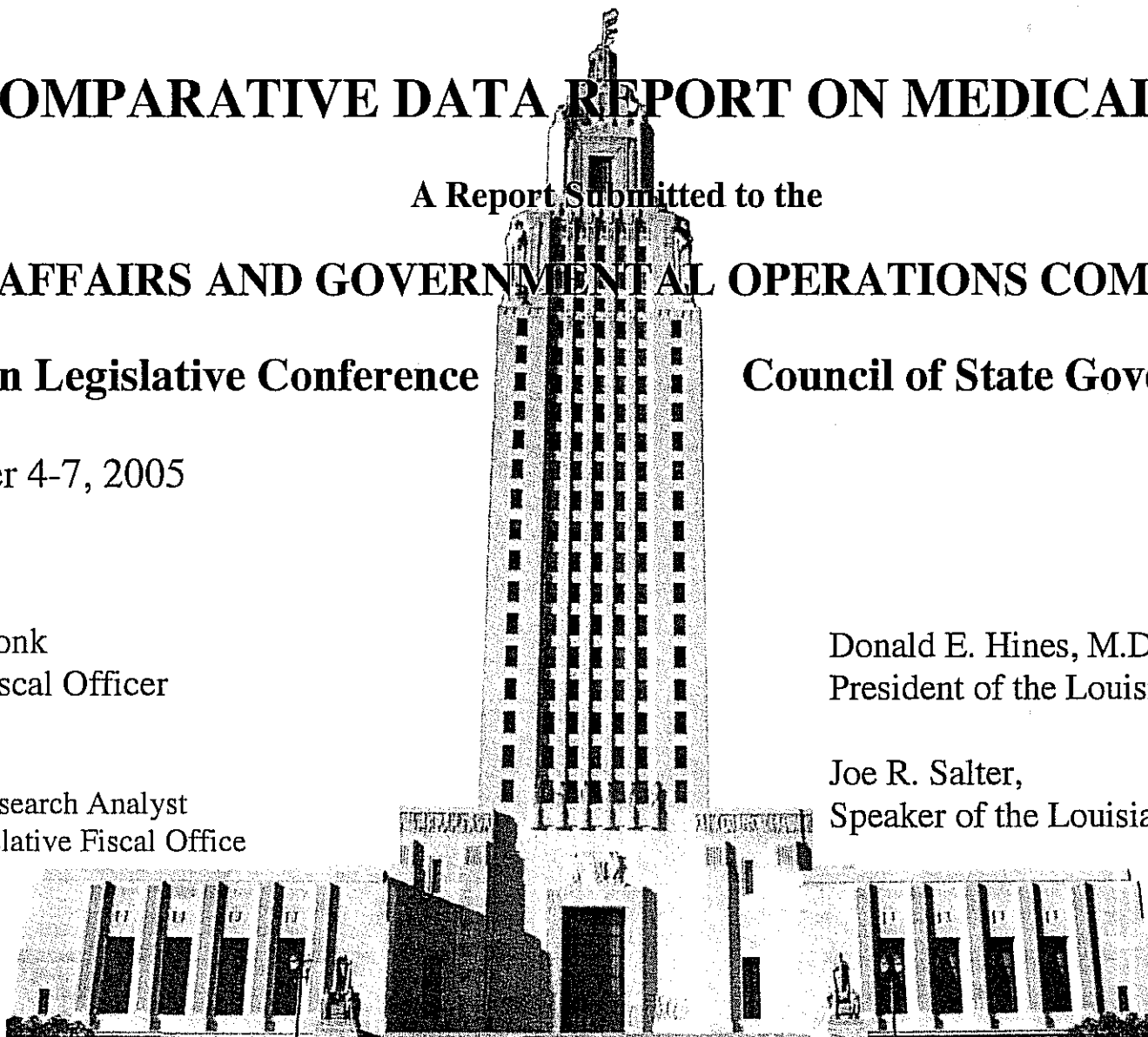
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IMPORTANT NOTE:

This public document was published without verified MSIS (Medicaid Statistical Information System--MSIS) data for all 16 states in the SLC for FFY 04. The Centers for Medicare and Medicaid Services (CMS--formerly HCFA) was unable to provide MSIS data for FFY 04 to the Louisiana Legislative Fiscal Office (LFO) due to data processing problems encountered in a change over in state submission of data from "hardcopy" to "electronic" as required by the Balanced Budget Act of 1997. The report uses data from state annual reports, other data provided by the states, and projections based on historical trends from FFY 98 to FFY 03. CMS currently is uncertain as to when verified data will be available for all 16 states for FFY 04.

It is important to note that this version of the CDR is a PRELIMINARY COPY. The LFO anticipates that revisions will be made to this document prior to publication of the final report once verified MSIS data is received from CMS. Hopefully, the final report, including the Summary Section, will be available in the second quarter of calendar year 2006.

COMPARATIVE DATA REPORT ON MEDICAID

TABLE OF CONTENTS

SUMMARY

PAGE

| | |
|--|-------------|
| Introduction, Background, and Methodology..... | i - vi |
| Medicaid Spending in the Southern Region | vii - x |
| State Comparisons and Graphics | xi - xxv |
| Medicaid Growth Factor Analysis | xxvi - xxxi |

STATE MEDICAID PROFILES

| | |
|---------------------------------------|-----------|
| Southern Legislative Conference | 1 - 6 |
| Alabama | 7 - 16 |
| Arkansas..... | 17 - 26 |
| Florida..... | 27 - 39 |
| Georgia..... | 40 - 49 |
| Kentucky..... | 50 - 58 |
| Louisiana..... | 59 - 68 |
| Maryland | 69 - 80 |
| Mississippi | 81 - 90 |
| Missouri | 91 - 100 |
| North Carolina..... | 101 - 110 |
| Oklahoma | 111 - 120 |
| South Carolina..... | 121 - 130 |

SUMMARY

INTRODUCTION

This report includes statistical tables and a summary of key findings based upon questionnaires distributed to each member state in the Southern Legislative Conference. This survey was initially conducted in 1992 and presented to the Second Congressional Summit on Federal Mandates in Washington, D. C., on April 29, 1992. Subsequent surveys have been presented each fall to the Fiscal Affairs and Government Operations Committee of the Southern Legislative Conference.

The format of the survey has been modified in an effort to present a meaningful amount of information without overwhelming the reader with excessive data. Data prior to FFY 98 has been removed from the report, but is still available upon request.

The assistance of legislative staff in each state and Medicaid agency staff that completed the questionnaires is greatly appreciated. Staff of the Centers for Medicare and Medicaid Services (formerly the Health Care Financing Administration) also provides invaluable assistance each year by locating and forwarding the information needed to complete this report. Thanks as well to several co-workers who assisted with preparation of this report: Gordon Monk, Robert E. Hosse, Willie Marie Scott, Carolyn Nicklas, Jean Pederson, and Nancy Rodgers. Comments, questions and suggestions concerning this report will be welcomed.

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BACKGROUND

Medicaid (Title XIX of the Social Security Act) is a program of medical assistance for impoverished individuals who are aged, blind, or disabled, or members of families with dependent children. Medical benefits for needy individuals are provided based on a division of state and federal responsibilities. The federal government establishes regulations, guidelines, and policy interpretations describing the framework within which states can administer their programs. The nature and scope of a state's Medicaid program are specified in a state plan that, after approval by the Department of Health and Human Services, provides the basis for federal funding to the state.

Medicaid is a federal entitlement program established with the 1965 Title XIX amendment to the Social Security Act. This program provides medical assistance to certain individuals having low incomes or resources. The Medicaid programs are jointly funded by the federal and state governments and are designed to assist states in providing access to health services to eligible individuals. Within broad guidelines established by the federal government, each state: 1) administers its own program; 2) establishes its own eligibility standards; 3) determines the amount, duration, and scope of services; and 4) sets the reimbursement methodology for these services. As a result, Medicaid programs vary from state to state and may do so within states over time.

Funding is shared between the federal government and the states, with the federal government matching state contributions at an authorized rate between 50 and 83 percent, depending on the state's per capita income. The federal participation rate is adjusted each year to compensate for changes in the per capita income of each state relative to the nation as a whole.

Federal requirements mandate the provision of certain services by any state participating in the Medicaid Program. These services include: inpatient and outpatient hospital services; prenatal care; vaccines for children; rural health services; lab and x-ray services; skilled nursing services; home health care for persons eligible for skilled-nursing services; pediatric and family nurse practitioner services; nurse mid-wife services; physician services; family planning; federally-qualified health center services; and services for the early and periodic, screening, diagnosis, and treatment (EPSDT) of those under age 21. States have considerable latitude about the scope of each of these services even though they are mandated.

States have the option, as of January 1, 1997, of denying Medicaid coverage to persons who are legal residents but not citizens. New immigrants will be automatically barred for five years after entry. Thereafter, states may offer coverage, but only under certain provisions. However, there are certain exceptions for persons who have worked for forty (40) quarters in covered employment, or served in the military. Additionally, no state may deny coverage of emergency medical services to either illegal or legal aliens.

The Balanced Budget Act (BBA) of 1997 (P.L. 105-33), which was signed by the President on August 5, 1997, continued the trend of congressional action to control growth in Medicaid. This act is projected to produce gross federal Medicaid savings of \$17 billion over the next 5 years and \$61.4 billion over the next ten years (FFY 97 to FFY 2007). Although there are some provisions for increases in Medicaid spending, the net effect of the legislation will be federal Medicaid savings of \$7.3 billion over the next five years and \$36.9 billion over the next ten years--the most significant reduction in federal Medicaid spending since 1981.

The initial projections related to cost savings as a result of the passage of the BBA 1997 have turned out to be grossly understated. Revised estimates from the Congressional Budget Office indicate that Federal health care spending for Medicare, Medicaid, and State's Children's Health Insurance Program (SCHIP) is anticipated to be reduced by more than \$226 billion--approximately \$123 billion more than originally projected.

In an effort to reverse some of the negative impact of the BBA 1997, the U.S. Congress passed the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act (BBRA) of 1999 (P.L. 106-113). The act contains numerous provisions to make corrections and refinements in all three programs. The majority of the revisions relates to the Medicare program and is designed to correct large cuts imposed on all Medicare providers--especially hospitals and long-term care facilities. For the Medicaid Program, the BBRA amends Title XIX to: 1) increase DSH allotments for the District of Columbia, Minnesota, New Mexico, and Wyoming; 2) remove the fiscal year limitation on certain transitional administrative costs assistance; 3) modify the phase-out of payment for federally qualified health center services and rural health clinic services based on reasonable costs; 4) provide for parity in reimbursement for certain utilization and quality control services; 5) eliminate duplicative requirements for external quality review of Medicaid managed care organizations; 6) make the enhanced match under SCHIP inapplicable to DSH payments; and 7) provide for the optional deferment of the effective date for outpatient drug agreements.

Additionally, the BBRA of 1999 reallocated funding for SCHIP, effective October 1, 2004. The total amount of federal SCHIP funding allotted to the sixteen states in the SLC was \$1.243 billion (down \$491 million from FFY 00) for FFY 04; states would have been required to provide \$443 million (down \$178 million from FFY 00) in state matching funds to utilize all available federal dollars. As of September of 1999, all of the states in the SLC had HCFA approved plans to participate in SCHIP, although many of them did not draw the full federal allocation available. **Table 1** and **Chart 11** provides the total amount of federal dollars allocated to each state in the SLC and the amount that each state plans to utilize annually.

On December 8, 2003, the Medicare Modernization Act (MMA) became law (P.L. 108-173). Under the provisions of the legislation, Medicare Part D will begin to pay for outpatient prescription drugs through private plans as of January 1, 2006. All Medicare beneficiaries entitled to Part A or enrolled in Part B (including Medicaid dual eligibles) are eligible to enroll in Part D and receive coverage for prescription drugs. When Part D coverage begins in 2006, prescription drug coverage for the dual eligible population (individuals entitled to Medicare and enrolled in Medicaid) will shift from Medicaid to Medicare. This significant development in the Medicare Program will have a substantial fiscal impact on the state Medicaid programs as a result of the financing mechanism used to pay for drug coverage for the dual eligibles. All state Medicaid programs will be required to make monthly payments (termed "phased-down state contribution" or "clawback") to the federal government based on the expenditures for prescription drugs that they would have made for the dual eligibles through the Medicaid program. The major issue for Medicaid programs is the formula used to calculate the "clawback" payments uses a base year of 2003. This provision potentially inflates state payments for any state that initiated pharmacy cost containment measures and reduced pharmacy payment growth in 2004. Initial estimates from the Congressional Budget Office anticipate that state "claw back" payments will be approximately \$6 billion in FY 06 and increase to \$15 billion in FY 13 (a total of \$90 billion over the period).

METHODOLOGY

The purpose of this report is to provide legislators and staff in each state with a reference document that can be used to compare Medicaid spending in a particular state to others throughout the southern region. The first report in this series was published in April 1992 for the Second Congressional Summit on Federal Mandates. That survey utilized data collected from each state on Medicaid program expenditures for state fiscal years. Since then the surveys have used data reported by each state to the federal government for federal fiscal years (October 1-September 30).

The Centers for Medicare and Medicaid Services (CMS) collects voluminous data on state Medicaid programs on HCFA Forms 37, 64, and 2082 (MSIS). Since each state follows the same report format and utilizes the same definitions and instructions, the information on these forms is the most accurate and consistently available. There are, nevertheless, certain inconsistencies that are introduced because of differences in interpretation about recipient, payment and service definitions. Whenever we are aware of such inconsistencies, we attempt to adjust for them when making comparisons among states. One should therefore exercise caution when comparing state expenditures for some services. For example, one state may include payments for rehabilitative services under "clinic services" while another may classify such payments as "other care."

A questionnaire was sent to each of the 16 states in the Southern Legislative Conference. Each questionnaire included several pages of data about the state taken from the HCFA 37, 64 and 2082 (MSIS) reports submitted by the state to CMS. States were asked to verify the accuracy of this data, to provide explanations of extraordinary growth in recipients or payments and to supply certain other information, such as levels of disproportionate share payments, methods of state financing, recent state initiatives, etc.

The data collected from the federal reports and from the states has been organized into a "Medicaid State Profile" for each state. These include multi-year histories of total Medicaid spending as well as recipient and payment data for major eligibility and service categories. Information on provider taxes and eligibility criteria is also included. Each profile contains charts comparing that state to the SLC average in terms of annual payments per recipient and the number of recipients per 100,000 population. As a supplement to state responses regarding program characteristics and initiatives, information was included from a publication, *Issue Briefs*; published by the Health Policy Tracking Service in 2005. Key demographic and poverty indicators were obtained from *Health Care State Rankings 2005 Health Care in the 50 United States* and *State Rankings, 2005: Statistical View of the 50 United States*. Information on the Balanced Budget Act was included from a publication, *Overview of the Medicaid Provisions in the Balanced Budget Act of 1997, P.L. 105-33, Andy Schneider, and September 1997*. Information on the Balanced Budget Refinement Act of 1999 was included from a summary publication provided by the Government Printing Office website. Information on the MMA was included in summary publications provided by the Henry Kaiser Family Foundation website.

A large portion of this report is derived from CMS form 2082 (FFY 98) and MSIS data (FFY 99-04) that provides detailed recipient and expenditure data by type of service and by other characteristics (maintenance assistance, basis of eligibility, age, race, and sex). For FFY 04, CMS was unable to provide MSIS information to the LFO on any of the states in the SLC. All 16 states are included in the FFY 04 CDR, but state annual reports, state submitted data, and projections based on historical trends for each state have been incorporated into all state profiles. Once verified MSIS data is received for all 16 states in the SLC from CMS, a second version of the report could be issued if the CMS data is significantly different from that in the initial version of the CDR for FFY 05.

It is of importance for the reader of this report to be aware of the changes from all previous versions of the Medicaid report. From FFY 92 to FFY 98, all HCFA 37, 64, and 2082 data was complete and used to make all comparisons in the report. For FFY 99 to 02, CMS published verified MSIS data on their website that was used to revise all 16 states for the FFY 04 CDR. FFY 03 and FFY 04 verified MSIS data is not available for SLC states.

MEDICAID SPENDING IN THE SOUTHERN REGION

The rapid rate of growth in Medicaid spending which occurred during the late 1980's and early 1990's began to decline by FFY 94 in the 16-state southern region. Since that time, the growth rate has been variable; however, the trend is more toward controlled growth. Total actual Medicaid payments (administrative costs excluded) for the 16 SLC states for FFY 04 were \$92.3 billion, an increase of \$7.6 billion (approximately 9%) over the FFY 03 level of \$84.7 billion. This is the second consecutive year of single digit increases in total Medicaid spending—FFY 03 increased by 7.3% from FFY 02, and indicates a continued effort to control Medicaid growth that had experienced double digit growth from FFY 00 to FFY 02. (see "Southern Region Medicaid Profile).

Total spending for FFY 05 is projected at \$99.5 billion, administrative costs excluded, which is an increase of approximately \$7.2 billion, or 7.8% over the \$92.3 billion for FFY 04. Total spending for FFY 06 is projected at \$107.2 billion, or 7.7% over the \$99.5 projected for FFY 05. The annual rate of change projected over the entire eight-year period from FFY 98 to FFY 06 is 9.4% percent.

The slowdown that occurred in the rate of spending from 1993 to 1995 was due, in part, to the fact that the major mandates levied by Congress were implemented prior to this time and significant new mandates have not been enacted. Also, cost containment measures instituted by the various states, including the implementation of selected waivers for state Medicaid populations had contributed to controlling the growth in regional Medicaid spending during this time period. The net result was that growth from FFY 95 to FFY 96 was less than 1%. Actual growth figures for FFY 04 (9.0%), and projected FFY 05 (7.8%) and FFY 06 (7.7%), indicate that Medicaid spending may experience a pattern of controlled growth, at least by health care standards, for the next several years. Furthermore, it is highly probable that projections for FFY 06 will be revised upward as this has been the pattern for the last five federal fiscal years.

It appears that rapid growth peaked in FFY 95. During the early 1990's several factors contributed to the rapid growth in Medicaid spending:

- First, program enrollment increased significantly, mainly due to federal mandates which directed states to expand coverage to pregnant women and children with family incomes at or above the federal poverty level. Such mandates had a major cost impact in southern states, which tend to have large indigent populations and a limited ability to finance health care programs at the high levels found in other parts of the nation. The number of Medicaid recipients in southern states grew from 13.9 million in FFY 95 to 20.0 million in FFY 04 (43.9%).
- Second, medical inflation has historically accounted for 50% of total growth.
- Third, other factors include higher utilization rates (due, in part, to federal mandates such as those calling for more thorough screening of school age children), the targeting of specific populations (AIDS patients, drug-dependent newborns) and higher payments to certain providers.

- Fourth, states have utilized creative methods to find the revenues needed to pay for Medicaid programs which in many cases have quadrupled in size over the past seven years. These include widespread use of provider taxes, disproportionate share payments and intergovernmental transfers.

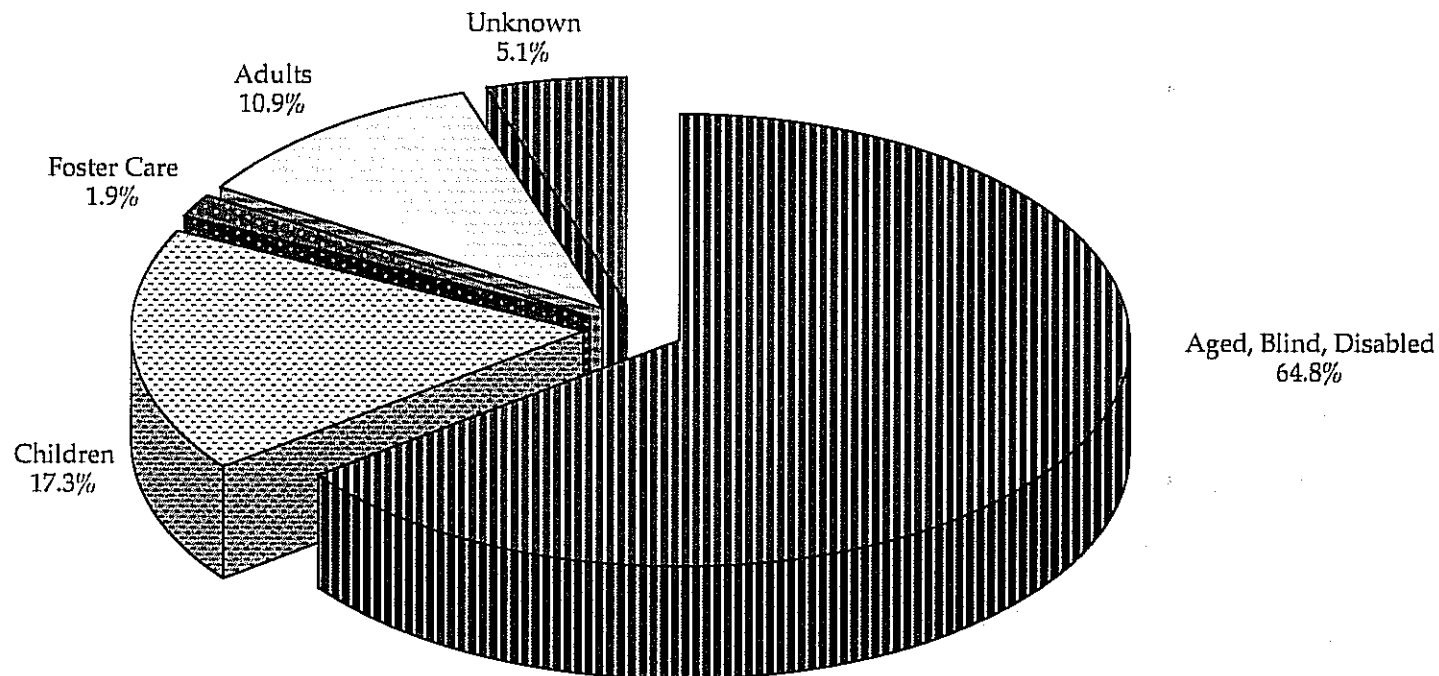
Beginning in FFY 95, the ability of states to benefit from creative financing mechanisms was sharply reduced (the Waxman amendments to OBRA-93). In August of 1997, Congress changed Medicaid in three ways: 1) Repealed the Boren Amendment, which fueled mandatory inflation payments for inpatient services, nursing homes, and community health centers; 2) abolished the necessity for states to obtain a waiver in order to institute Medicaid managed care programs; and 3) provided a decreasing cap on disproportionate share allotments to the states. It is expected that the aggregate impact of these congressional efforts will continue to control the growth of the Medicaid Program.

Total Medicaid expenditures (projected) in the 16 Southern Legislative Conference states are illustrated in **Chart 1**. This chart divides Medicaid dollars spent by eligibility, which include the following categories: aged (65 and older), blind, or disabled, children, foster care children, adults and other Title XIX recipients of unknown eligibility status. By far the greatest amount of Medicaid dollars is spent on those who are aged, blind, or disabled (64.8%). Expenditures for children were next, accounting for 17.3% of the payments. The remaining classifications of adults (10.9%), foster care children (1.9%), and unknown (5.1%) make up the balance (17.9%). The total amount of Medicaid payments in the SLC for FFY 04 was \$81,746,418,718. This is an average annual increase of approximately 10.7% per year over the seven-year period from FFY 958 to FFY 04.

The total number of Medicaid recipients (projected) in the 16 states was 20,008,923 during FFY 04 as compared to the FFY 98 number of 14,221,110 recipients, or an annual increase of 5.9% per year. **Chart 2** provides a percentage distribution of these recipients by the same eligibility standards as Chart 1. The greatest number of Medicaid recipients in the southern region was children (49.4%). The aged, blind, or disabled followed with approximately 24.2%, while adults represented 17.0% of the total number of recipients. The balance of 9.4% is distributed among foster care children (1.1%) and unknown status (8.3%). The average payment per recipient for all Medicaid services in the 16 states was approximately \$4,086. This is an increase of \$160 from FFY 03 to FFY 04 and approximately a 4.6% annual increase from FFY 98.

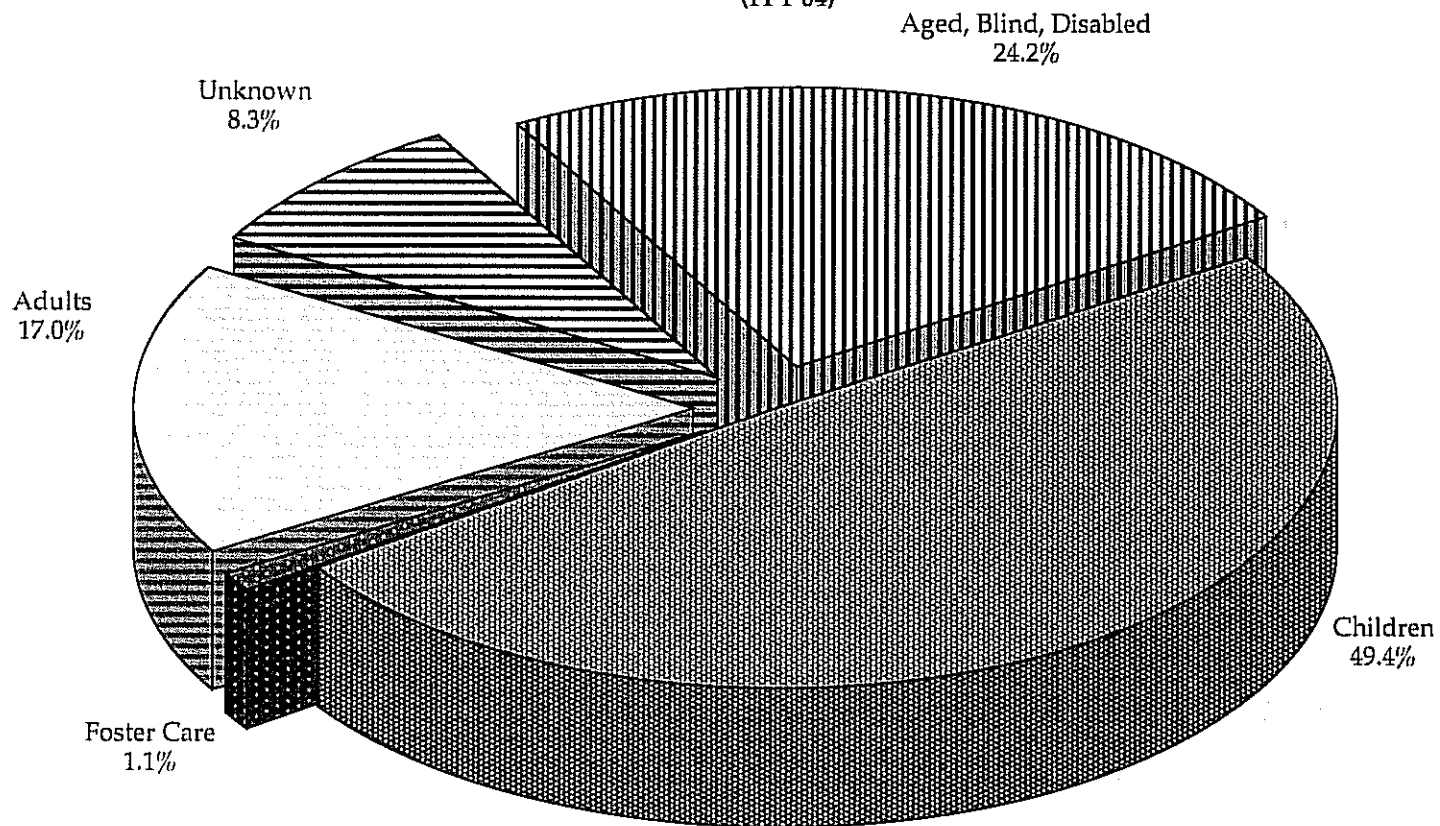
SOUTHERN REGION MEDICAID PROFILE

CHART 1
TOTAL MEDICAID EXPENDITURES IN SLC BY ELIGIBILITY
(FFY 04)



SOUTHERN REGION MEDICAID PROFILE

CHART 2
TOTAL MEDICAID RECIPIENTS IN SLC BY ELIGIBILITY BASIS
(FFY 04)



STATE COMPARISONS

The next few pages contain direct comparisons among the 16 SLC states relative to spending levels and recipient levels. These comparisons include measures of per capita expenditures, expenditures per recipient and recipients per 100,000 population, as well as information on payments for services and on administrative costs. These are included only to indicate broad trends and demonstrate gross levels of spending and eligibility in each state. They should be used with caution when comparing state programs in terms of recipient coverage, cost effectiveness or level of effort. Charts cited below can be found at the end of this summary.

Per Capita Expenditures. Medicaid per capita spending in the 16-state southern region has increased from \$567 in FFY 98 to \$876 for FFY 04. States with high numbers of recipients per unit of population combined with a high level of payments per recipient rank high in per capita spending. As shown in **Chart 3**, per capita spending for FFY 04 ranges from \$546 in Virginia to \$1,284 in Tennessee. All other SLC states ranged from \$746 to \$1,267. Tennessee has increased per capita expenditures by \$85 (\$1,199 to \$1,284) from FFY 03, and now has the highest per capita expenditure level (\$1,284) in the SLC. Tennessee had an increase in population of approximately 55,754 (1.9%) during FFY 04 coupled with an increase in total Medicaid expenditures of approximately \$673 million (10.6%). Virginia maintained its position as the state with the lowest average per capita expenditure, reporting an average of \$546 per person (60.4% under the SLC average of \$876). This is due to the fact that: 1) the state's population increased from approximately 7.37 million to 7.46 million (3.3%); 2) total Medicaid expenditures increased from \$3.54 billion to \$3.83 billion (7.9%) and; 3) only 9.3% of the total population (38th in the U.S.) has incomes less than the FPL (\$15,670 for a family of three for FFY 04).

Payments per Recipient. Annual payments per recipient for the southern region have increased from \$3,122 in FFY 98 to \$4,086 in FFY 04, an overall increase of 4.6% per year. Payments per recipient for FFY 04 range from \$3,024 in Tennessee to \$6,628 in Maryland. (**See Chart 4**). Since most states report disproportionate share payments on Form 2082 (FFY 98) and MSIS (FFY 99-04) such payments are excluded from all regular Medicaid claim payment comparisons.

Expenditure per recipient comparisons should be viewed with caution unless used in conjunction with a specific well-defined service. We have chosen five of the largest and, hopefully, best-defined services for inclusion here: inpatient hospitals, skilled and intermediate care nursing facilities, intermediate care for the mentally retarded, physician services and prescription drugs. Each of these services represents a large part of a state's Medicaid expenditures and each has been an area of rapid growth as well. Payments for these five services represent approximately 61.8% of all Medicaid payments in the region for FFY 04, compared to 61.5% for FFY 03.

- Payments for general hospital inpatient services in the region have increased from \$7.7 billion in FFY 98 to \$12.4 billion in FFY 04, an annual increase of 8.3%. These payments represent an average 15.2% of each state's Medicaid payments. If all disproportionate share payments were included in these figures, the growth rates and the share of total spending on hospitals would be significantly greater. The accompanying chart excludes all such payments that have been included on the HCFA 2082 (FFY 98) and MSIS (FFY 99-04) in order to make consistent comparisons.

The total number of recipients for inpatient services increased at a 4.2% annual rate, from 1.99 million in FFY 98 to 2.55 million by FFY 04. The SLC average for annual payments per recipient for inpatient services has increased from \$3,866 in FFY 98 to \$4,878 in FFY 04, an annual growth rate of 4.0%. Payments range from \$2,635 in Mississippi to \$8,408 in Maryland. Again it should be noted that these figures do not include disproportionate share payments. (See Chart 5)

- Payments for skilled and intermediate care nursing facilities grew from \$9.4 billion to \$13.4 billion during the period FFY 98-04, an annual growth rate of 4.8%. The average share of a southern state's Medicaid budget devoted to these services has fallen from 21.2% to 16.4% during the period. The number of recipients utilizing these services increased at a 1.2% annual rate, from approximately 571,590 in FFY 98 to 615,756 in FFY 04. The SLC average for annual payments per recipient for skilled and intermediate care nursing facilities increased from \$16,457 in FFY 98 to \$21,815 in FFY 04, an annual growth rate of 4.8%. Average annual payments ranged from a low of \$14,299 in Missouri to a high of \$34,830 in Maryland. (See Chart 6)

- The cost of intermediate care for the mentally retarded (ICF-MR) increased from \$3.02 billion in FFY 98 to \$3.73 billion in FFY 04, an annual growth rate of 3.6%. SLC states applied an average of 4.6% of their expenditures to this service in FFY 04, down from 6.8% in FFY 98. This service experienced a decline in recipients from approximately 48,203 in FFY 98 to 44,518 in FFY 04, a 1.2% decrease during the seven-year period. The average cost per recipient has continued to increase approximately 4.9% annually, and has increased from \$62,574 to \$83,152 during the period FFY 98-04. Average payments range from \$55,421 in Oklahoma to \$142,990 in Tennessee in FFY 04. (See Chart 7)

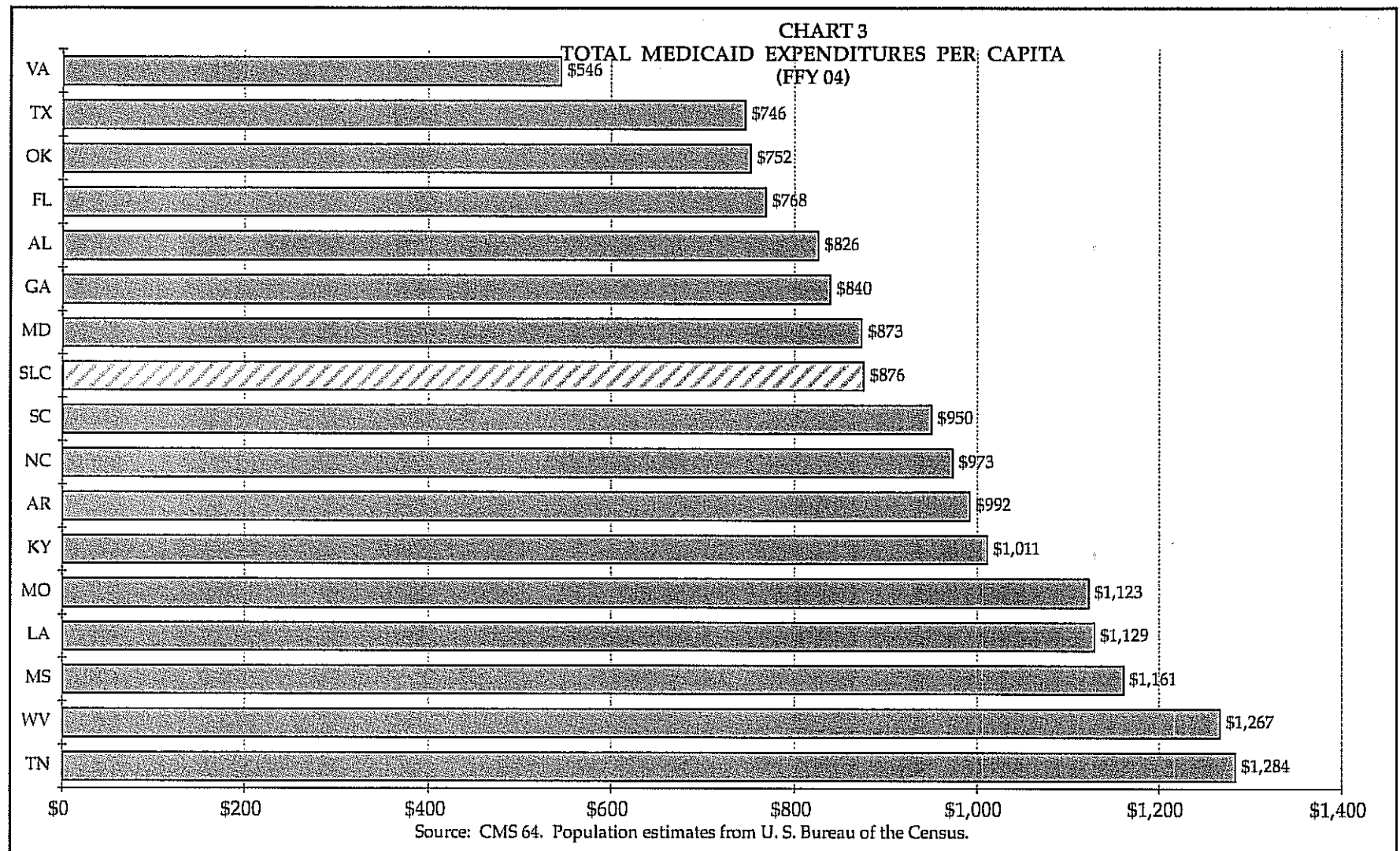
- The cost of physician services increased from approximately \$2.97 billion in FFY 98 to \$5.91 billion in FFY 04, an annual rate of 12.2% per year. The number of recipients of these services increased from more than 8.25 million in FFY 98 to 11.12 million in FFY 04, an annual rate of 5.1% per year. Average annual payments per recipient in the region experienced growth of about 6.7% per year, from approximately \$360 in FFY 98 to \$532 per year in FFY 04. Payments per recipient vary widely from \$316 in Oklahoma to \$1,012 in Missouri for FFY 04. (See Chart 8)

- The cost of providing prescribed drugs grew 19.2% per year from about \$5.24 billion in FFY 98 to \$15.05 billion in FFY 04. Recipients increased 3.5% annually from 9.10 million in FFY 98 to 11.18 million in FFY 04. The regional average payment per recipient grew from \$575 in FFY 98 to \$1,346 in FFY 04, an average growth rate of 15.2% per year. States range from a low of \$750 per recipient annually for prescription drug costs in Georgia to \$2,090 in Missouri. Payments per recipient in Maryland increased from \$842 in FFY 98 to \$1,145 in FFY 04, an annual rate of 5.3%; and payments per recipient in North Carolina increased from \$610 in FFY 98 to \$1,391 million in FFY 04, an annual rate of 14.7%. Payments in Oklahoma increased from \$290 million in FFY 03 to \$292 million in FFY 04, or \$2.0 million (0.7%—the smallest increase in the region); and payments in Missouri increased from \$953 million in FFY 03 to \$1.13 billion in FFY 04, or \$177 million (18.6%—largest increase in the region). (See Charts 9A, 9B, and 9C)

Recipients per 100,000 Population. The number of recipients per 100,000 population increased during FFY 98-04 from 14,644 to 18,138. According to this indicator, the highest state was Tennessee with 30,172 per 100,000 population and the lowest was Virginia with 9,654. A state's rank on this scale is influenced by how liberal its eligibility criteria are for Medicaid and children in low-income families. (See Chart 10)

SCHIPS Allocation per State. All 16 states in the SLC have submitted SCHIP plans to HCFA. As of September 3, 1999, all 16 states had approved plans. Under the provisions of the legislation that created SCHIPs, states have the option of expanding Medicaid, designing a state plan, or doing a combination of both. In the SLC, 6 states have opted to expand Medicaid, 3 states have designed a state plan, and 7 have combined Medicaid expansion with a state-designed plan. Of the \$1.24 billion federal allocation for the 16 SLC states for which data is available in Table 1, \$992.5 million (79.8%) has been requested to fund the various SCHIP plans. Florida and Texas topped the federal allocation in the SLC with \$193.6 million and \$330.9 million, respectively. Texas utilized the largest portion of available federal funding—\$229.7 million (69.4%); Florida utilized \$121.5 million (62.7%) for SCHIP. West Virginia was allotted the fewest SCHIP dollars in the SLC, \$18.8 million and utilized \$29.9 (159.0%). Overall, SLC state movement with the SCHIP initiative appears to be cautiously growing after a slow start. For the reported SLC states, 1 is using 20% or less of the total program allotment, 2 are using between 21% and 40%, 2 are using between 41% and 60 %; 4 are using over 60%; and 7 are using over 81%. (Table 1 and Chart 11)

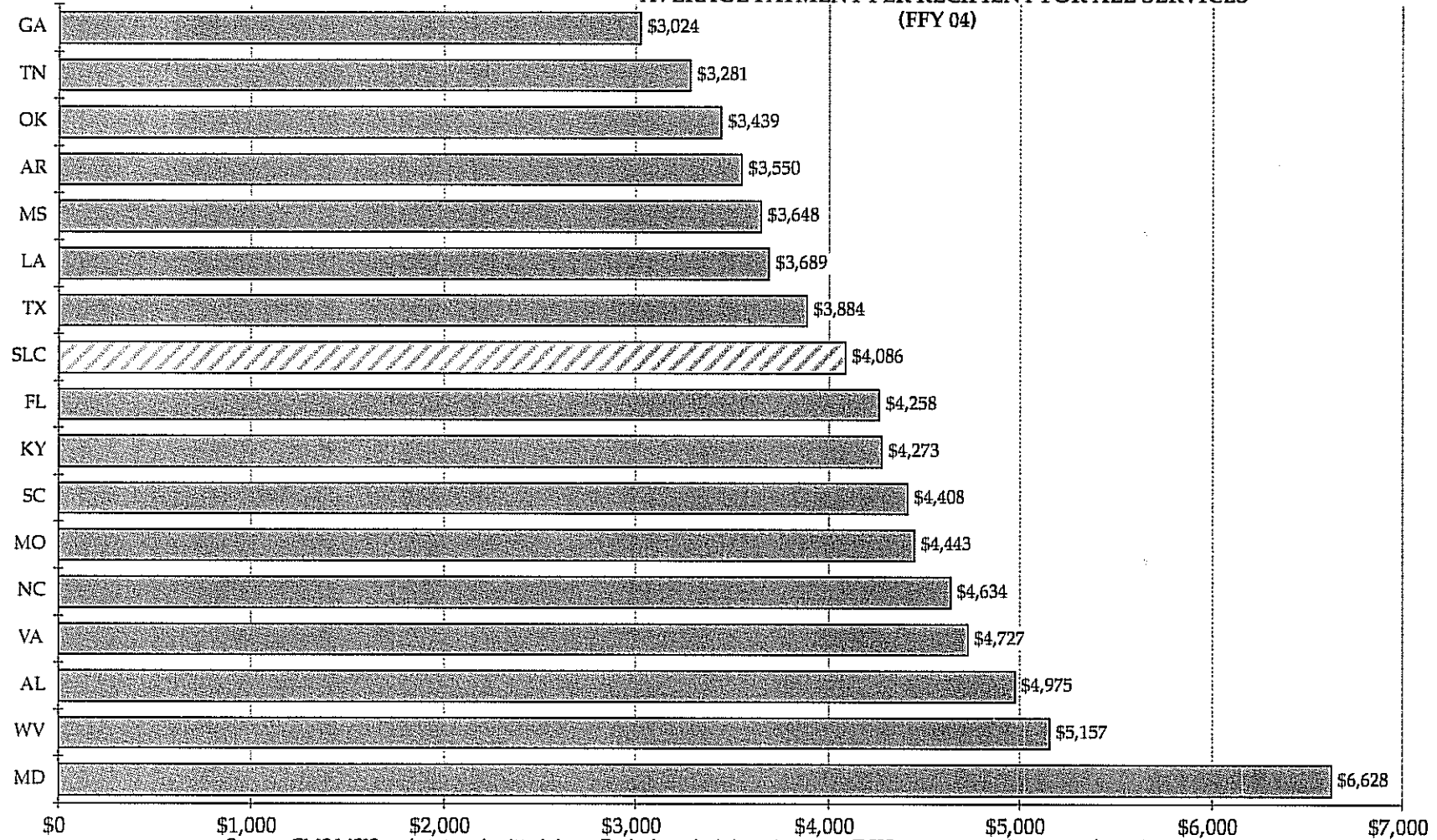
SOUTHERN REGION MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE

CHART 4

AVERAGE PAYMENT PER RECIPIENT FOR ALL SERVICES
(FFY 04)

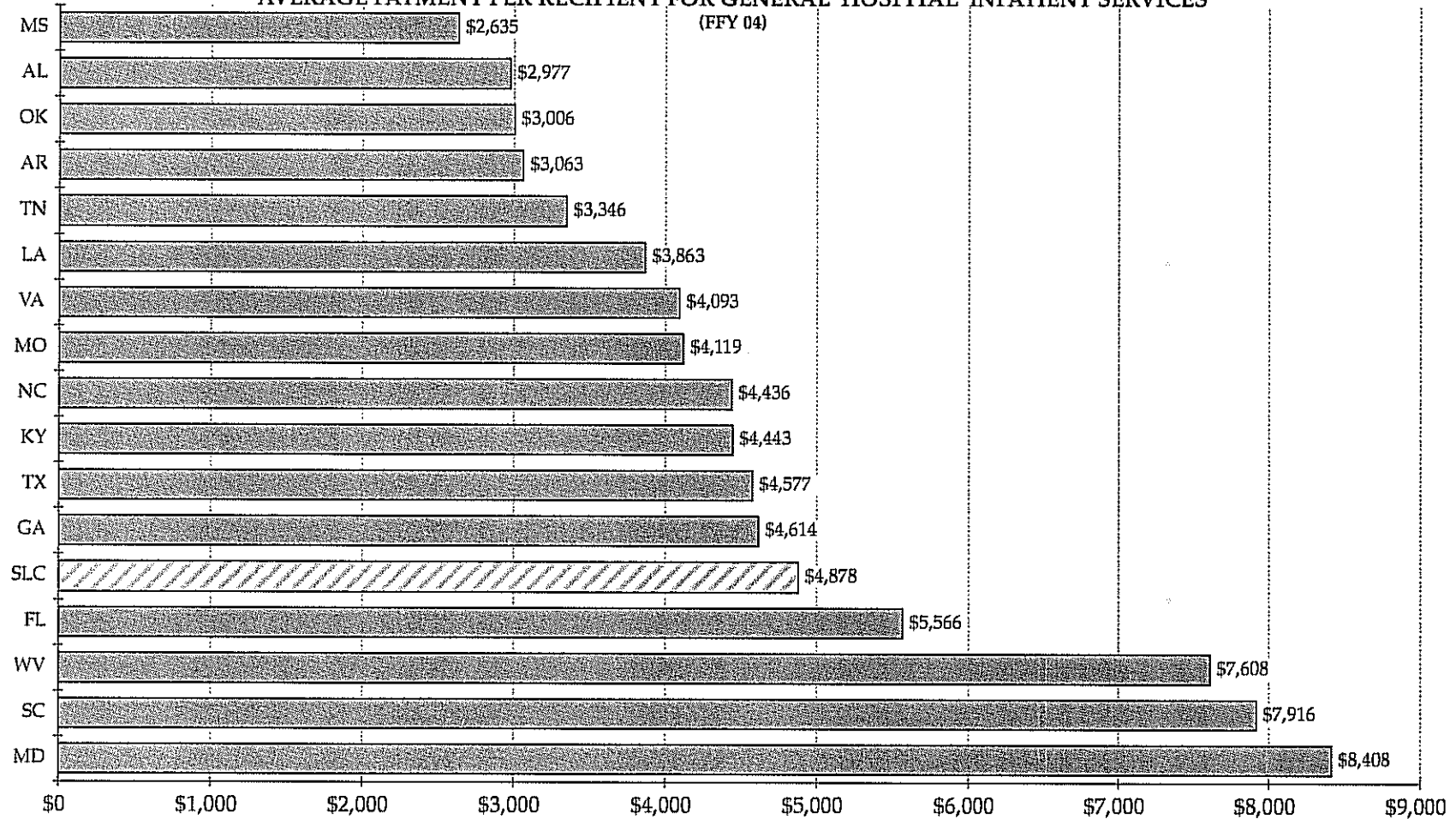


SOUTHERN REGION MEDICAID PROFILE

CHART 5

AVERAGE PAYMENT PER RECIPIENT FOR GENERAL HOSPITAL INPATIENT SERVICES

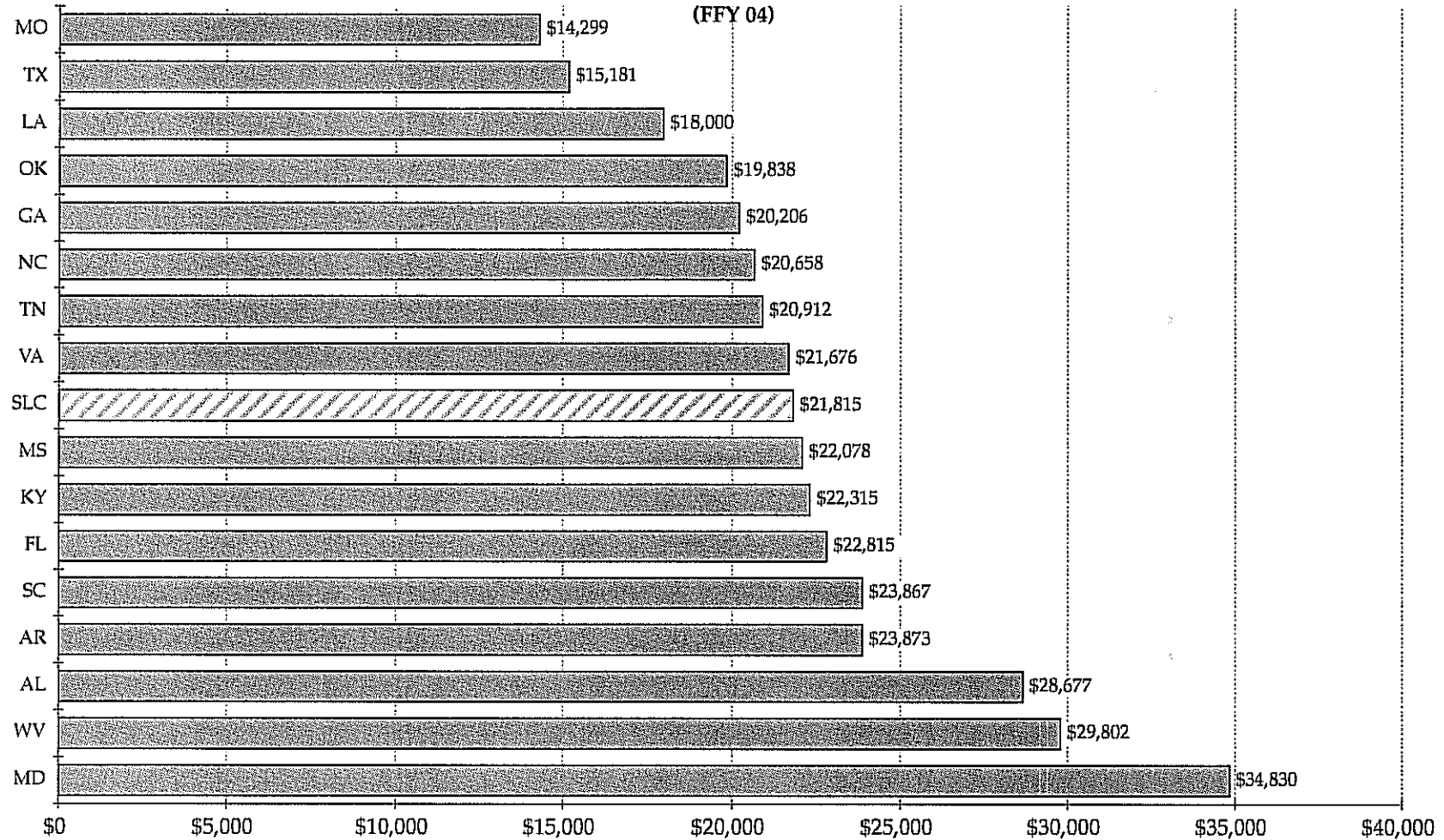
(FFY 04)



Source: CMS MSIS and state submitted data. Excludes disproportionate share payments.

SOUTHERN REGION MEDICAID PROFILE

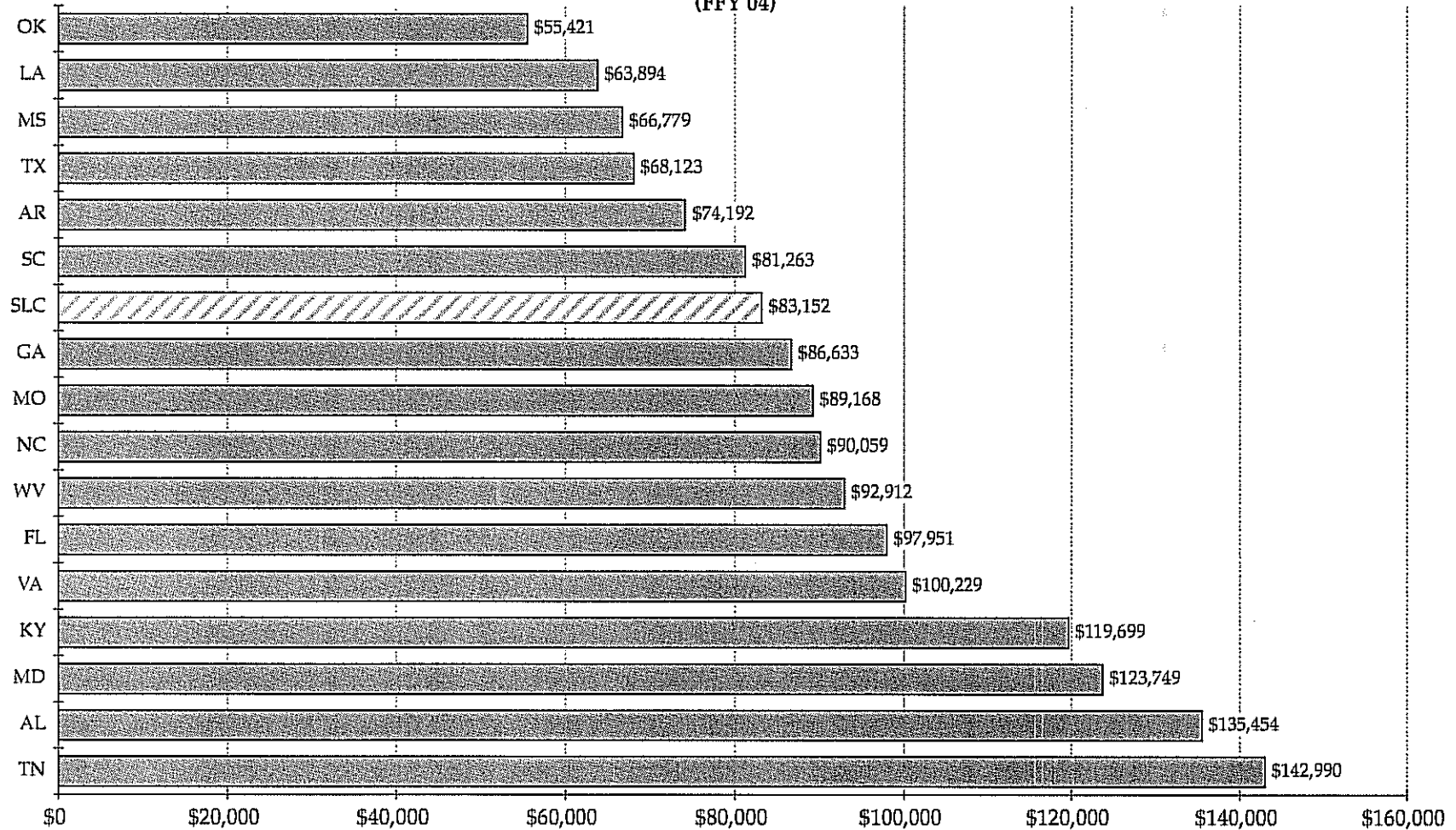
CHART 6
AVERAGE PAYMENT PER RECIPIENT IN SKILLED & INTERMEDIATE NURSING FACILITIES
(FFY 04)



Source: CMS MSIS and state submitted data. Type and intensity of services required may vary from state to state.

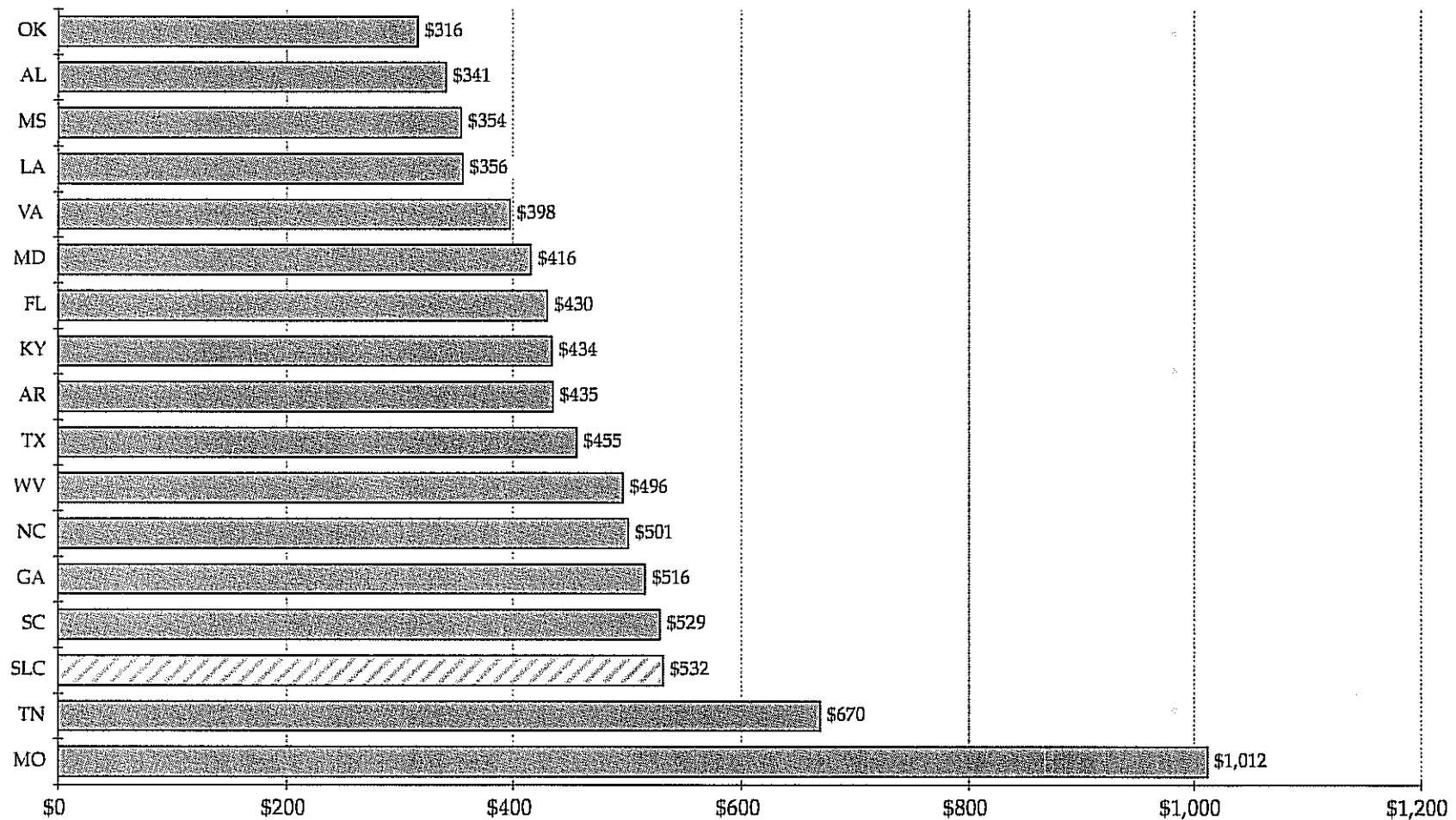
SOUTHERN REGION MEDICAID PROFILE

CHART 7
AVERAGE PAYMENT PER RECIPIENT IN ICF/MR FACILITIES
(FFY 04)



SOUTHERN REGION MEDICAID PROFILE

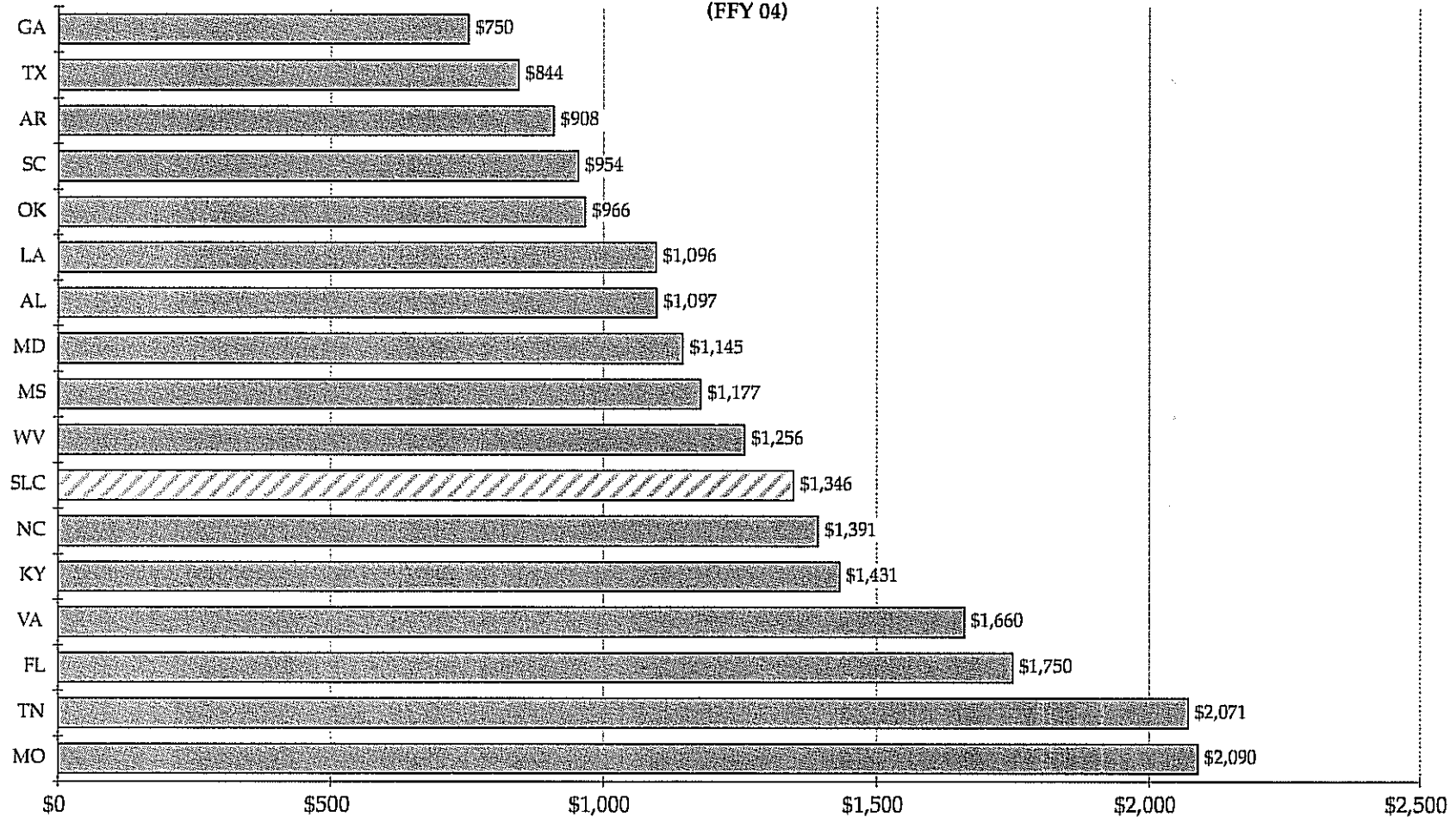
CHART 8
AVERAGE PAYMENT PER RECIPIENT FOR PHYSICIAN SERVICES
(FFY 04)



Source: CMS MSIS and state submitted data

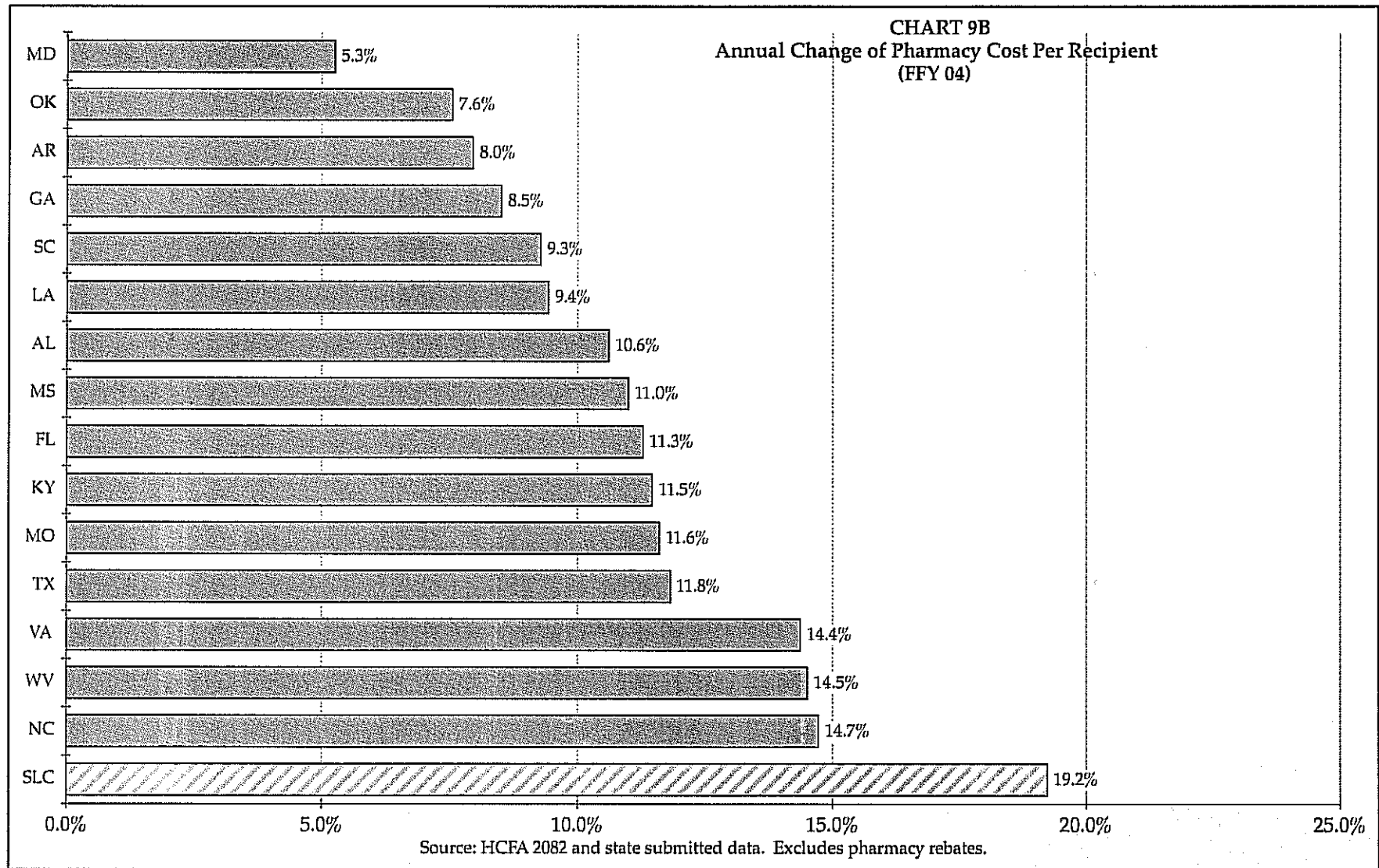
SOUTHERN REGION MEDICAID PROFILE

CHART 9A
AVERAGE PAYMENT PER RECIPIENT FOR PRESCRIPTION DRUGS
(FFY 04)

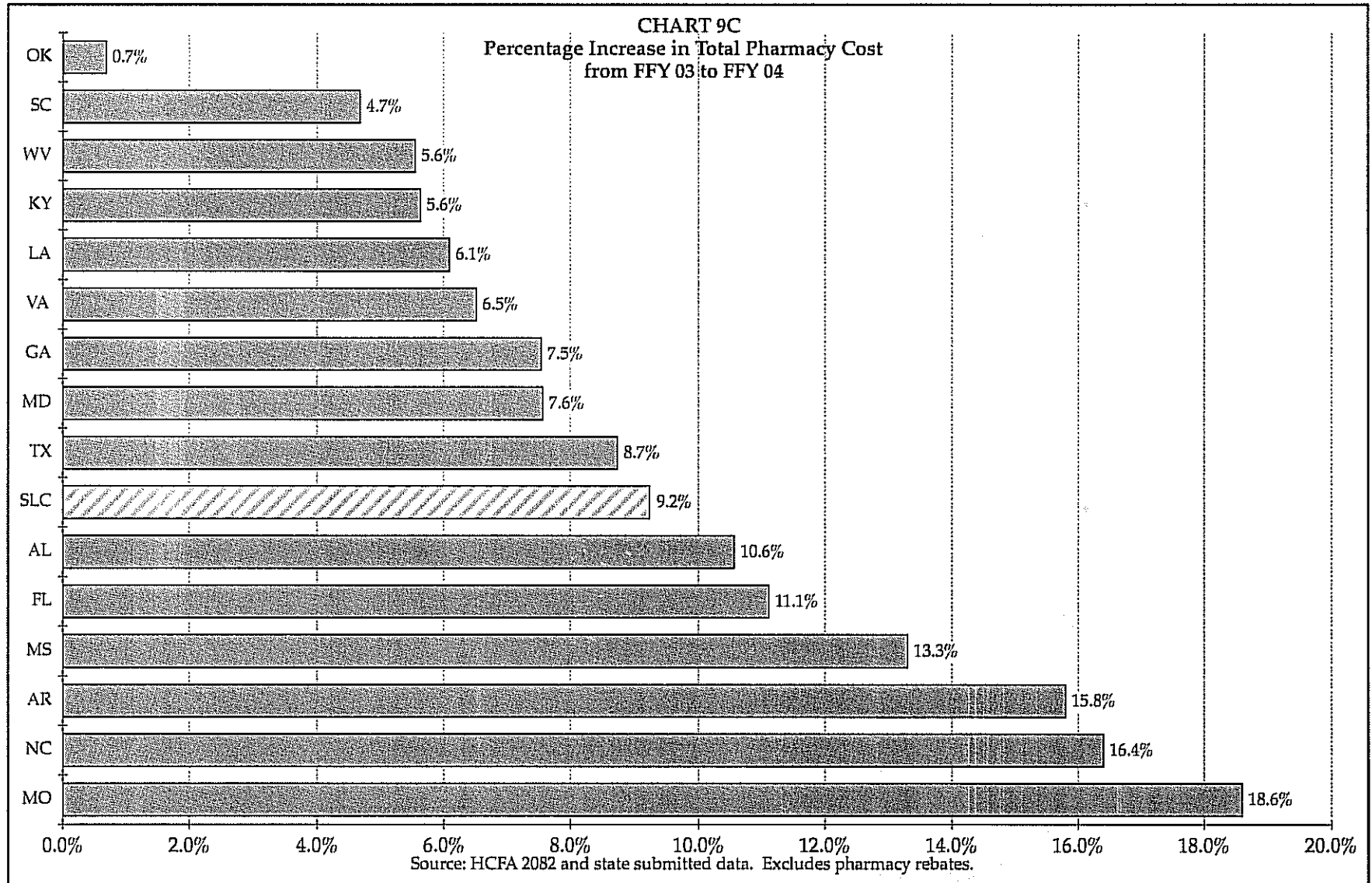


Source: CMS MSIS and state submitted data. Excludes pharmacy rebates.

SOUTHERN REGION MEDICAID PROFILE

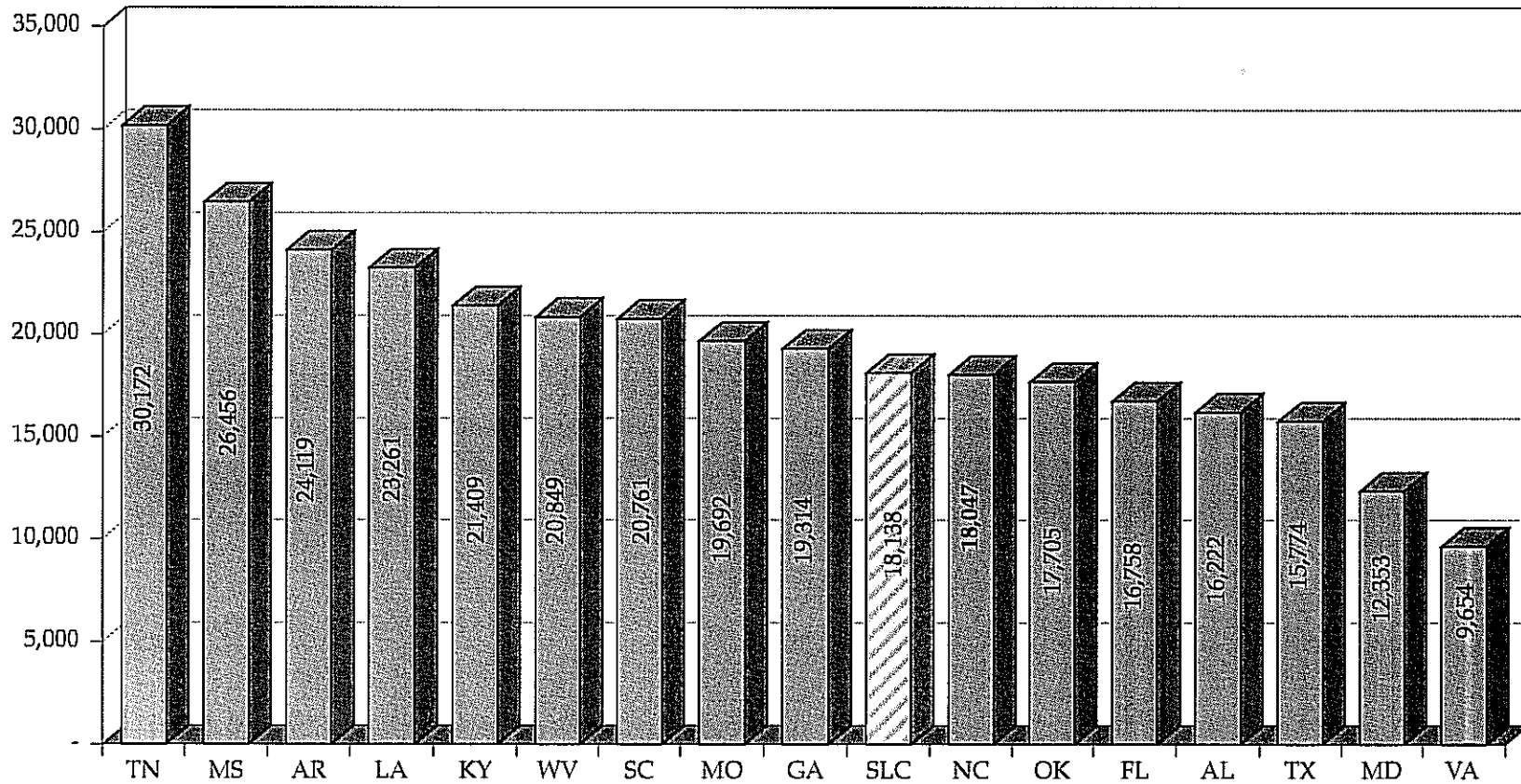


SOUTHERN REGION MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE

CHART 10
MEDICAID RECIPIENTS PER 100,000 POPULATION
(FFY 04)



Source: CMS MSIS and U. S. Bureau of the Census population estimates. SLC column shows average of 16 southern states.

TABLE 1

SCHIP ALLOTMENTS AND PROJECTED ANNUAL EXPENDITURES FOR THE SOUTHERN LEGISLATIVE CONFERENCE STATES

| | SCHIP Allotments FFY 04 | | | FFY 04 Federal Match Rates | | | FFY 04 Annual Cost for SCHIP | | | | % of Program Allotment [^] | Medicaid Impact Projected SCHIP Outreach |
|-----------|--------------------------|------------------------|-------------------------------------|----------------------------|-------|------------|------------------------------|--------------------------|------------------------|--------------------------------------|-------------------------------------|--|
| | Federal \$'s in millions | State \$'s in millions | Total Program Allotment in millions | Medicaid | SCHIP | Difference | Type of Plan | Federal \$'s in millions | State \$'s in millions | Total Program Projection in millions | | |
| * • AL | \$ 54.7 | \$ 14.0 | \$ 68.7 | 70.8% | 79.6% | 8.8% | Combination | \$ 40.6 | \$ 10.4 | \$ 51.0 | 74.2% | Not reported |
| * • AR | \$ 35.1 | \$ 7.5 | \$ 42.6 | 74.7% | 82.3% | 7.6% | Medicaid Expansion | \$ 2.2 | \$ 0.5 | \$ 2.7 | 6.3% | Not reported |
| † • FL | \$ 193.6 | \$ 77.9 | \$ 271.5 | 58.9% | 71.3% | 12.4% | Combination | \$ 121.5 | \$ 48.9 | \$ 170.3 | 62.7% | \$ 29.6 |
| * • GA | \$ 103.9 | \$ 41.0 | \$ 144.9 | 59.6% | 71.7% | 12.1% | State Plan Option | \$ 29.2 | \$ 11.5 | \$ 40.7 | 28.1% | \$ 13.9 |
| † • KY | \$ 39.3 | \$ 10.4 | \$ 49.7 | 70.1% | 79.1% | 9.0% | Combination | \$ 65.7 | \$ 17.4 | \$ 83.1 | 167.3% | \$ 1.6 |
| † • LA | \$ 64.5 | \$ 16.0 | \$ 80.5 | 71.6% | 80.1% | 8.5% | Medicaid Expansion | \$ 31.2 | \$ 7.7 | \$ 38.9 | 48.4% | \$ 27.5 |
| † • MD | \$ 36.1 | \$ 19.4 | \$ 55.5 | 50.0% | 65.0% | 15.0% | Combination | \$ 86.3 | \$ 46.5 | \$ 132.8 | 239.1% | \$ 71.8 |
| † • MS | \$ 36.9 | \$ 7.0 | \$ 43.9 | 77.1% | 84.0% | 6.9% | Combination | \$ 84.9 | \$ 16.2 | \$ 101.1 | 230.1% | \$ 0.6 |
| † • MO | \$ 41.9 | \$ 15.5 | \$ 57.4 | 61.5% | 73.0% | 11.5% | Medicaid Expansion | \$ 50.9 | \$ 18.8 | \$ 69.7 | 121.5% | \$ 0.3 |
| * • NC | \$ 85.8 | \$ 30.1 | \$ 115.9 | 62.9% | 74.0% | 11.1% | State Plan Option | \$ 110.9 | \$ 39.0 | \$ 149.9 | 129.3% | \$ 55.7 |
| † • OK | \$ 44.6 | \$ 11.7 | \$ 56.3 | 70.2% | 79.2% | 9.0% | Medicaid Expansion | \$ 27.1 | \$ 7.1 | \$ 34.2 | 60.8% | Not reported |
| † • SC | \$ 43.4 | \$ 11.6 | \$ 55.0 | 69.9% | 78.9% | 9.0% | Medicaid Expansion | \$ 43.7 | \$ 11.7 | \$ 55.4 | 100.7% | \$ 31.3 |
| * • TN | \$ 58.0 | \$ 19.2 | \$ 77.2 | 64.4% | 75.1% | 10.7% | Medicaid Expansion | \$ 12.8 | \$ 4.2 | \$ 17.0 | 22.1% | N/A |
| † • TX | \$ 330.9 | \$ 127.4 | \$ 458.3 | 60.2% | 72.2% | 12.0% | Combination | \$ 229.7 | \$ 88.4 | \$ 318.1 | 69.4% | \$ 3.9 |
| † • VA | \$ 55.7 | \$ 30.0 | \$ 85.7 | 50.0% | 65.0% | 15.0% | State Plan Option | \$ 26.0 | \$ 14.0 | \$ 40.0 | 46.7% | N/A |
| † • WV | \$ 18.8 | \$ 4.0 | \$ 22.8 | 75.2% | 82.6% | 7.4% | Combination | \$ 29.9 | \$ 6.3 | \$ 36.2 | 159.0% | N/A |
| SLC TOTAL | \$ 1,243.2 | \$ 442.9 | \$ 1,686.1 | | | | | \$ 992.5 | \$ 348.6 | \$ 1,341.1 | | \$ 236.2 |

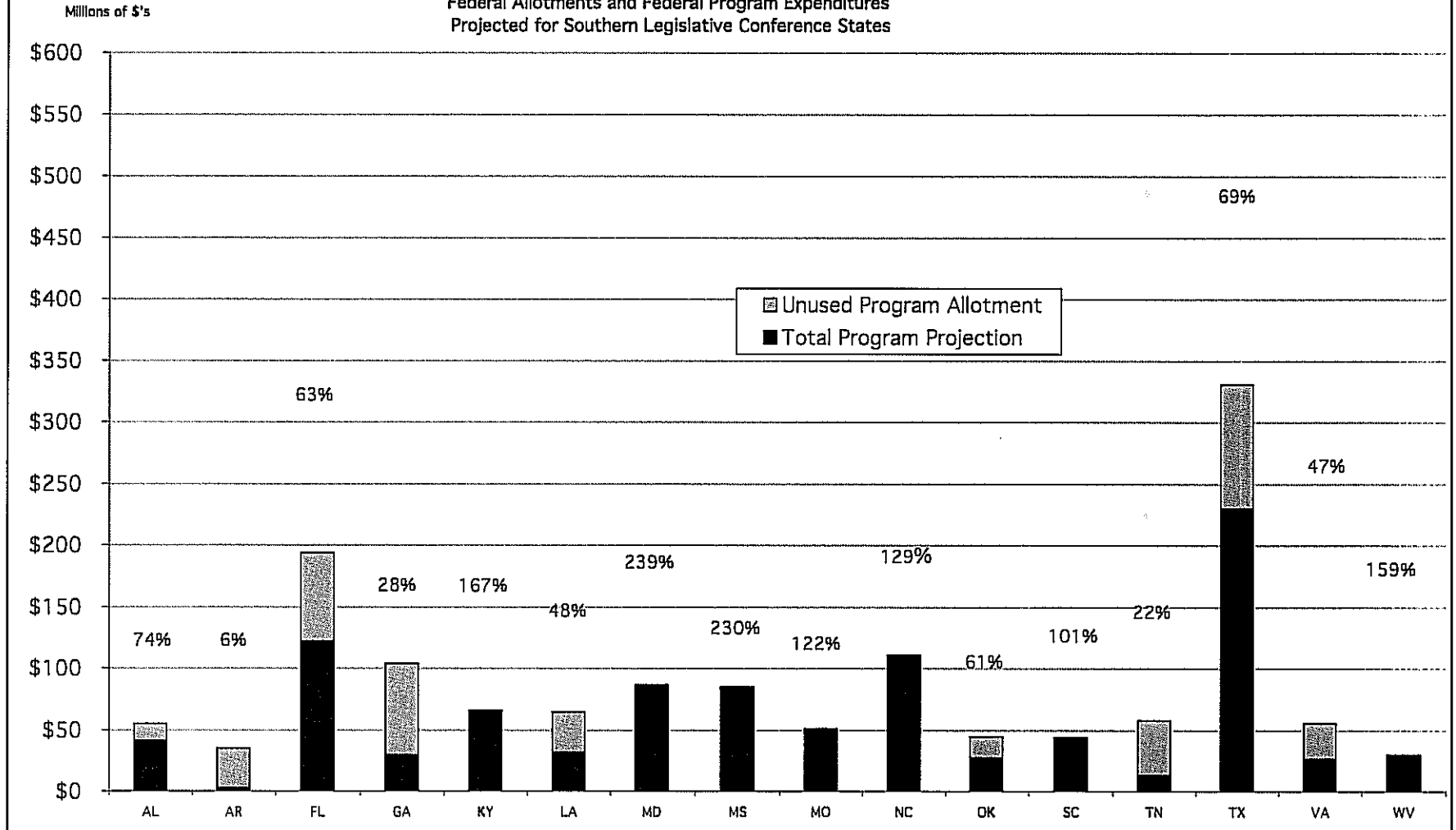
- * Title XXI Plan Amendment also approved by HCFA
- † Responded to survey
- * Data from state plan submitted to HCFA

[^]Some SLC states are accelerating coverage for 15-18 year olds to 100% of poverty. Coverage of this group is mandated to 100% of poverty on a phased-in basis under Title XIX. Once phased-in under Title XIX, expenses for this age group will no longer be covered under Title XXI. States that exceed 100% of their annual program allotments will be "carrying forward" prior year balances to finance their programs.

| Type of program | # of states | Percent |
|--------------------|-------------|---------|
| Medicaid Expansion | 6 | 37.5% |
| State Plan Option | 3 | 18.8% |
| Combination | 7 | 43.8% |
| Total | 16 | |

| Projected Expenditure as a Percent of Total Allotment | # of SLC states |
|---|-----------------|
| 0-20% | 1 |
| 21-40% | 2 |
| 41-60% | 2 |
| 61-80% | 4 |
| 81 & above | 7 |

CHART 11
State Children's Health Insurance Program
Federal Allotments and Federal Program Expenditures
Projected for Southern Legislative Conference States



*Percentages refer to Total Program Projection
as a percent of Total Program Allotment through FFY 04.

MEDICAID GROWTH FACTOR ANALYSIS

Payment data from the HCFA 2082 (FFY 98) and MSIS (FFY 04 projected) was adjusted for inflation using the implicit price deflator for medical care published by the Bureau of Economic Analysis of the U.S. Department of Commerce. **Table 2** indicates that inflation accounts for about \$14.4 billion or 38.6% of the \$37.4 billion in nominal growth for the period FFY 98-04 for the entire 16-state region. Inflation-adjusted growth (or growth in real 1998 dollars) is estimated at \$22.9 billion during this period. On a region-wide basis, the number of Medicaid recipients increased 40.7% from 14.2 million in FFY 98 to 20.0 million in FFY 04. Adjusted payment data (which excludes disproportionate share payments to hospitals) plus recipient data were used to construct a Medicaid growth index in order to show which factors are primarily responsible for the growth in Medicaid payments. Charts and tables cited below can be found at the end of this summary.

Table 3 provides a growth index that shows the relative contribution to overall payment increases of (1) enrollment and (2) the combined effect of policies governing reimbursement and utilization. Index values for "Enrollment" indicate the inflation-adjusted cost effect of covering additional recipients that entered Medicaid coverage during this period.

Chart 12 and **Table 3** show the estimated dollar impact of the two growth factors on each state. Clearly, enrollment is the dominant factor throughout the region, accounting for \$18.8 billion (82%) of total growth (\$22.9 billion). Reimbursement and utilization policies accounted for \$4.1 billion (18%), reflecting state emphasis on the controls and restrictions in Medicaid payments.

Chart 13 reflects the values for "Reimbursement and Utilization Policies" and shows the combined effect of the amount paid for services in excess of (or below) medical inflation, plus increases or decreases in the utilization of services by recipients. [Information reported is not adequate to isolate the effects of reimbursement and utilization, respectively, so these variables are combined.] States with positive values for this factor show varying increases in average payments per recipient, a result of either an increase in reimbursement levels above normal medical inflation or an increase in the utilization of services by recipients or both. Conversely, states with negative values for this factor were able to contain costs during the period by imposing or continuing restrictions on (1) the amount and type of services which recipients may use or (2) the level of reimbursement paid to providers for services or (3) both.

With respect to enrollment, most of the expansion (though not all) can be attributed to federal mandates to increase the number of persons covered by Medicaid and/or to unfavorable economic factors, which cause people to seek public

assistance. Therefore, most growth in payments related to enrollment is considered to be outside the discretion of states. On the other hand, states do have considerable latitude (within the constraints of federal law and judicial action) to set policies governing provider reimbursement and recipient utilization. This is demonstrated by the variation among states of the relative importance of reimbursement/utilization. Index values for this factor range from -80.26 for Missouri to 90.54 for Mississippi, indicating that these two states had the greatest changes in real unit costs, although in opposite directions. **Table 2** shows that overall in the SLC, four states had a decline in real unit costs and 12 showed an increase (adjusted for inflation). Arkansas and Missouri had the largest decreases in payments adjusted for inflation from FFY 98-04, 31.4% and 9.7% respectively. Mississippi and Alabama had the largest increases in payments adjusted for inflation from FFY 95-01, 61.7% and 38.5% respectively.

SOUTHERN REGION MEDICAID PROFILE

TABLE 2
REGIONAL MEDICAID GROWTH SUMMARY
(FFY 98-04)

| NOMINAL GROWTH | | | | | | | | | | Payments | | Recipients | | Payment per Recipient | |
|----------------|------------------|------------|------------|------|--------|------------------|------------|------------|------|-------------|---------|-------------|--------|-----------------------|--------|
| FFY 98 | | | | | FFY 04 | | | | | Avg. Annual | Total | Avg. Annual | Total | Avg. Annual | Total |
| | Payments | Recipients | Pmnt/Recip | Rank | | Payments | Recipients | Pmnt/Recip | Rank | Growth | Growth | Growth | Growth | Growth | Growth |
| AL | \$1,613,410,752 | 527,078 | \$3,061 | 10 | | \$3,656,032,236 | 734,905 | \$4,975 | 3 | 14.61% | 126.60% | 5.70% | 39.43% | 8.43% | 62.52% |
| AR | \$1,375,797,421 | 424,727 | \$3,239 | 9 | | \$2,356,625,491 | 663,920 | \$3,550 | 13 | 9.38% | 71.29% | 7.73% | 56.32% | 1.54% | 9.58% |
| FL | \$5,686,844,862 | 1,904,591 | \$2,986 | 12 | | \$12,414,558,827 | 2,915,398 | \$4,258 | 9 | 13.90% | 118.30% | 7.35% | 53.07% | 6.09% | 42.61% |
| GA | \$3,012,346,312 | 1,221,978 | \$2,465 | 16 | | \$5,156,091,019 | 1,705,321 | \$3,024 | 16 | 9.37% | 71.17% | 5.71% | 39.55% | 3.46% | 22.65% |
| KY | \$2,425,288,141 | 644,482 | \$3,763 | 2 | | \$3,792,457,912 | 887,618 | \$4,273 | 8 | 7.74% | 56.37% | 5.48% | 37.73% | 2.14% | 13.54% |
| LA | \$2,383,508,985 | 720,615 | \$3,308 | 7 | | \$3,874,755,192 | 1,050,414 | \$3,689 | 11 | 8.44% | 62.57% | 6.48% | 45.77% | 1.83% | 11.52% |
| MD | \$2,489,280,148 | 561,085 | \$4,437 | 1 | | \$4,550,750,399 | 686,575 | \$6,628 | 1 | 10.58% | 82.81% | 3.42% | 22.37% | 6.92% | 49.40% |
| MO | \$2,569,646,129 | 734,015 | \$3,501 | 4 | | \$5,035,091,673 | 1,133,178 | \$4,443 | 6 | 11.86% | 95.94% | 7.51% | 54.38% | 4.05% | 26.92% |
| MS | \$1,442,373,276 | 485,767 | \$2,969 | 13 | | \$2,801,539,620 | 768,004 | \$3,648 | 12 | 11.70% | 94.23% | 7.93% | 58.10% | 3.49% | 22.85% |
| NC | \$4,013,996,742 | 1,167,988 | \$3,437 | 5 | | \$7,143,475,732 | 1,541,450 | \$4,634 | 5 | 10.08% | 77.96% | 4.73% | 31.97% | 5.11% | 34.85% |
| OK | \$1,301,479,635 | 459,570 | \$2,832 | 14 | | \$2,145,689,375 | 623,844 | \$3,439 | 14 | 8.69% | 64.87% | 5.23% | 35.75% | 3.29% | 21.45% |
| SC | \$2,018,620,428 | 594,962 | \$3,393 | 6 | | \$3,842,009,271 | 871,551 | \$4,408 | 7 | 11.32% | 90.33% | 6.57% | 46.49% | 4.46% | 29.93% |
| TN | \$3,635,772,153 | 1,453,538 | \$2,501 | 15 | | \$5,841,975,954 | 1,780,447 | \$3,281 | 15 | 8.22% | 60.68% | 3.44% | 22.49% | 4.63% | 31.18% |
| TX | \$7,061,861,243 | 2,324,810 | \$3,038 | 11 | | \$13,779,548,844 | 3,547,660 | \$3,884 | 10 | 11.79% | 95.13% | 7.30% | 52.60% | 4.18% | 27.87% |
| VA | \$2,118,202,866 | 653,236 | \$3,243 | 8 | | \$3,404,040,956 | 720,146 | \$4,727 | 4 | 8.23% | 60.70% | 1.64% | 10.24% | 6.48% | 45.77% |
| WV | \$1,243,150,526 | 342,668 | \$3,628 | 3 | | \$1,951,776,217 | 378,492 | \$5,157 | 2 | 7.81% | 57.00% | 1.67% | 10.45% | 6.04% | 42.14% |
| SEC TOTAL | \$44,391,579,619 | 14,221,110 | \$3,122 | | | \$81,746,418,718 | 20,008,923 | \$4,085 | | 10.71% | 84.15% | 5.86% | 40.70% | 4.59% | 30.88% |

| ADJUSTED FOR INFLATION* | | | | | | | | | | Payments | | Recipients | | Payment per Recipient | |
|-------------------------|------------------|------------|------------|------|--------|------------------|------------|------------|------|-------------|--------|-------------|--------|-----------------------|--------|
| FFY 98 | | | | | FFY 04 | | | | | Avg. Annual | | Avg. Annual | | Avg. Annual | |
| | Payments | Recipients | Pmnt/Recip | Rank | | Payments | Recipients | Pmnt/Recip | Rank | | Growth | Growth | Growth | Growth | Growth |
| AL | \$1,613,410,752 | 527,078 | \$3,061 | 10 | | \$3,011,368,849 | 734,905 | \$4,098 | 4 | | 10.96% | 86.65% | 5.70% | 39.43% | 4.98% |
| AR | \$1,375,797,421 | 424,727 | \$3,239 | 9 | | \$1,941,084,797 | 663,920 | \$2,924 | 12 | | 5.90% | 41.09% | 7.73% | 56.32% | -1.69% |
| FL | \$5,686,844,862 | 1,904,591 | \$2,986 | 12 | | \$10,225,515,889 | 2,915,398 | \$3,507 | 9 | | 10.27% | 79.81% | 7.35% | 53.07% | 2.72% |
| GA | \$3,012,346,312 | 1,221,978 | \$2,465 | 16 | | \$4,246,924,226 | 1,705,321 | \$2,490 | 15 | | 5.89% | 40.98% | 5.71% | 39.55% | 0.17% |
| KY | \$2,425,288,141 | 644,482 | \$3,763 | 2 | | \$3,123,738,763 | 887,618 | \$3,519 | 8 | | 4.31% | 28.80% | 5.48% | 37.73% | -1.11% |
| LA | \$2,383,508,985 | 720,615 | \$3,308 | 7 | | \$3,191,524,672 | 1,050,414 | \$3,009 | 11 | | 4.99% | 33.90% | 6.48% | 45.77% | -1.57% |
| MD | \$2,489,280,148 | 561,085 | \$4,437 | 1 | | \$3,748,322,527 | 686,575 | \$5,459 | 1 | | 7.06% | 50.58% | 3.42% | 22.37% | 3.52% |
| MS | \$2,569,646,129 | 734,015 | \$3,501 | 4 | | \$4,147,260,537 | 768,004 | \$5,400 | 2 | | 8.30% | 61.39% | 0.76% | 4.63% | 7.49% |
| MO | \$1,442,373,276 | 485,767 | \$2,969 | 13 | | \$2,307,547,799 | 1,133,178 | \$2,036 | 16 | | 8.15% | 59.98% | 15.16% | 133.28% | -6.09% |
| NC | \$4,013,996,742 | 1,167,988 | \$3,437 | 5 | | \$5,883,875,989 | 1,541,450 | \$3,817 | 6 | | 6.58% | 46.58% | 4.73% | 31.97% | 1.77% |
| OK | \$1,301,479,635 | 459,570 | \$2,832 | 14 | | \$1,767,342,771 | 623,844 | \$2,833 | 13 | | 5.23% | 35.79% | 5.23% | 35.75% | 0.01% |
| SC | \$2,018,620,428 | 594,962 | \$3,393 | 6 | | \$3,164,552,796 | 871,551 | \$3,631 | 7 | | 7.78% | 56.77% | 6.57% | 46.49% | 1.14% |
| TN | \$3,635,772,153 | 1,453,538 | \$2,501 | 15 | | \$4,811,867,967 | 1,780,447 | \$2,703 | 14 | | 4.78% | 32.35% | 3.44% | 22.49% | 1.30% |
| TX | \$7,061,861,243 | 2,324,810 | \$3,038 | 11 | | \$11,349,819,000 | 3,547,660 | \$3,199 | 10 | | 8.23% | 60.72% | 7.30% | 52.60% | 0.87% |
| VA | \$2,118,202,866 | 653,236 | \$3,243 | 8 | | \$2,803,810,862 | 720,146 | \$3,893 | 5 | | 4.78% | 32.37% | 1.64% | 10.24% | 3.10% |
| WV | \$1,243,150,526 | 342,668 | \$3,628 | 3 | | \$1,607,622,067 | 378,492 | \$4,247 | 3 | | 4.38% | 29.32% | 1.67% | 10.45% | 2.66% |
| SEC TOTAL | \$44,391,579,619 | 14,221,110 | \$3,122 | | | \$67,332,179,511 | 20,008,923 | \$3,364 | | | 7.19% | 51.68% | 5.86% | 40.70% | 1.25% |

Table excludes administrative costs, disproportionate share hospital payments and certain other adjustments. *Implicit price deflator (medical care index, adjusted base=1992), Bureau of Economic Analysis, U. S. Department of Commerce.

SOUTHERN REGION MEDICAID PROFILE

TABLE 3
MEDICAID GROWTH FACTOR ALLOCATION
(FFY 98-04)

| GROWTH INDEX (98-04) | | | | | | | |
|----------------------|----------------------|---|------------|--|-----------------------------|-----------------------------|--|
| | Enrollment Factor | Reimbursement/ Utilization Factor | Total | | Total Adjusted Growth | Share From Enrollment | Share From Reimbursement & Utilization |
| AL | 53.26 | 46.74 | 100 | | \$1,397,958,097 | \$744,612,265 | \$653,345,832 |
| AR | 129.78 | -29.78 | 100 | | \$565,287,376 | \$733,621,400 | (\$168,334,024) |
| FL | 72.56 | 27.44 | 100 | | \$4,538,671,027 | \$3,293,316,629 | \$1,245,354,399 |
| GA | 97.03 | 2.97 | 100 | | \$1,234,577,914 | \$1,197,939,726 | \$36,638,188 |
| KY | 126.48 | -26.48 | 100 | | \$698,450,622 | \$883,396,634 | (\$184,946,011) |
| LA | 129.09 | -29.09 | 100 | | \$808,015,687 | \$1,043,036,080 | (\$235,020,393) |
| MD | 49.31 | 50.69 | 100 | | \$1,259,042,379 | \$620,864,283 | \$638,178,095 |
| MS | 9.46 | 90.54 | 100 | | \$1,577,614,408 | \$149,184,210 | \$1,428,430,198 |
| MO | 180.26 | -80.26 | 100 | | \$865,174,523 | \$1,559,597,795 | (\$694,423,272) |
| NC | 72.55 | 27.45 | 100 | | \$1,869,879,247 | \$1,356,544,581 | \$513,334,667 |
| OK | 99.88 | 0.12 | 100 | | \$465,863,136 | \$465,305,435 | \$557,701 |
| SC | 84.92 | 15.08 | 100 | | \$1,145,932,368 | \$973,071,503 | \$172,860,865 |
| TN | 72.38 | 27.62 | 100 | | \$1,176,095,814 | \$851,295,489 | \$324,800,325 |
| TX | 89.07 | 10.93 | 100 | | \$4,287,957,757 | \$3,819,454,494 | \$468,503,263 |
| VA | 34.78 | 65.22 | 100 | | \$685,607,996 | \$238,426,051 | \$447,181,945 |
| WV | 38.67 | 61.33 | 100 | | \$364,471,541 | \$140,954,657 | \$223,516,884 |
| SUB TOTAL | 81.96 | 18.04 | 100 | | \$22,940,599,892 | \$18,802,938,062 | \$4,137,661,830 |

Explanation: Inflation-adjusted growth data (see Table 1) was analyzed for Federal Fiscal Years 95 through 01 to determine the relative contribution to overall payment increases of the following factors: (1) enrollment increases and, (2) the combined effect of reimbursement and utilization policies. A growth index was constructed to indicate the importance of each factor to each state over the seven-year period.

Index values for "Enrollment" indicate the inflation-adjusted cost effect of covering additional recipients that entered Medicaid coverage during this period. On a region-wide basis, the number of Medicaid recipients increased 40.7% from 14.2 million in FFY 98 to 20.0 million in FFY 04.

The values for "Reimbursement and Utilization Policies" show the combined effect of the amount paid for services in excess of (or below) medical inflation, plus increases or decreases in the utilization of services by recipients. [Information reported is not adequate to isolate the effects of reimbursement and utilization, respectively, so these variables are combined.] States with positive values for this factor show varying increases in average payments per recipient, a result of either an increase in reimbursement levels above normal medical inflation or an increase in the utilization of services by recipients or both. Conversely, states with negative values for this factor were able to contain costs during the period by imposing or continuing restrictions on (1) the amount and type of services which recipients may use or (2) the level of reimbursement paid to providers for services or (3) both.

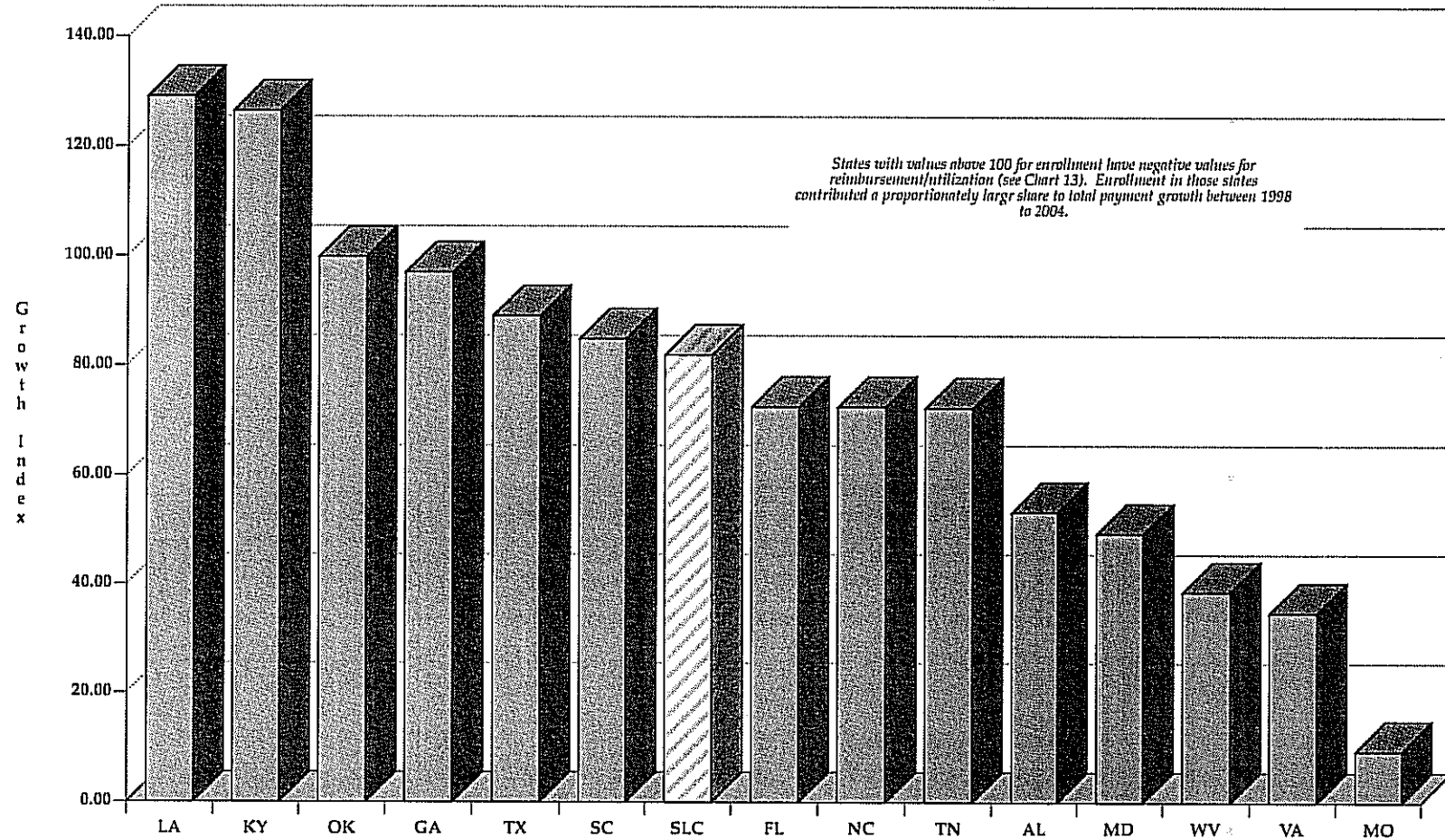
With respect to enrollment, most of the increase (though not all) can be attributed to federal mandates to increase the number of persons covered by Medicaid or to unfavorable economic conditions which increase public assistance rolls. Therefore, most growth in payments caused by enrollment is considered to be outside the discretion of states. On the other hand, states do have considerable latitude (within the constraints of federal law and judicial action) to set policies governing provider reimbursement and recipient utilization. This is demonstrated by the variation among states of the relative importance of reimbursement/utilization. Index values for this factor range from -80.26 for Missouri to 90.54 for Mississippi, indicating that these two states had the greatest changes in real unit costs, although in opposite directions.

SOUTHERN REGION MEDICAID PROFILE

CHART 12

MEDICAID GROWTH INDEX: ENROLLMENT FACTOR

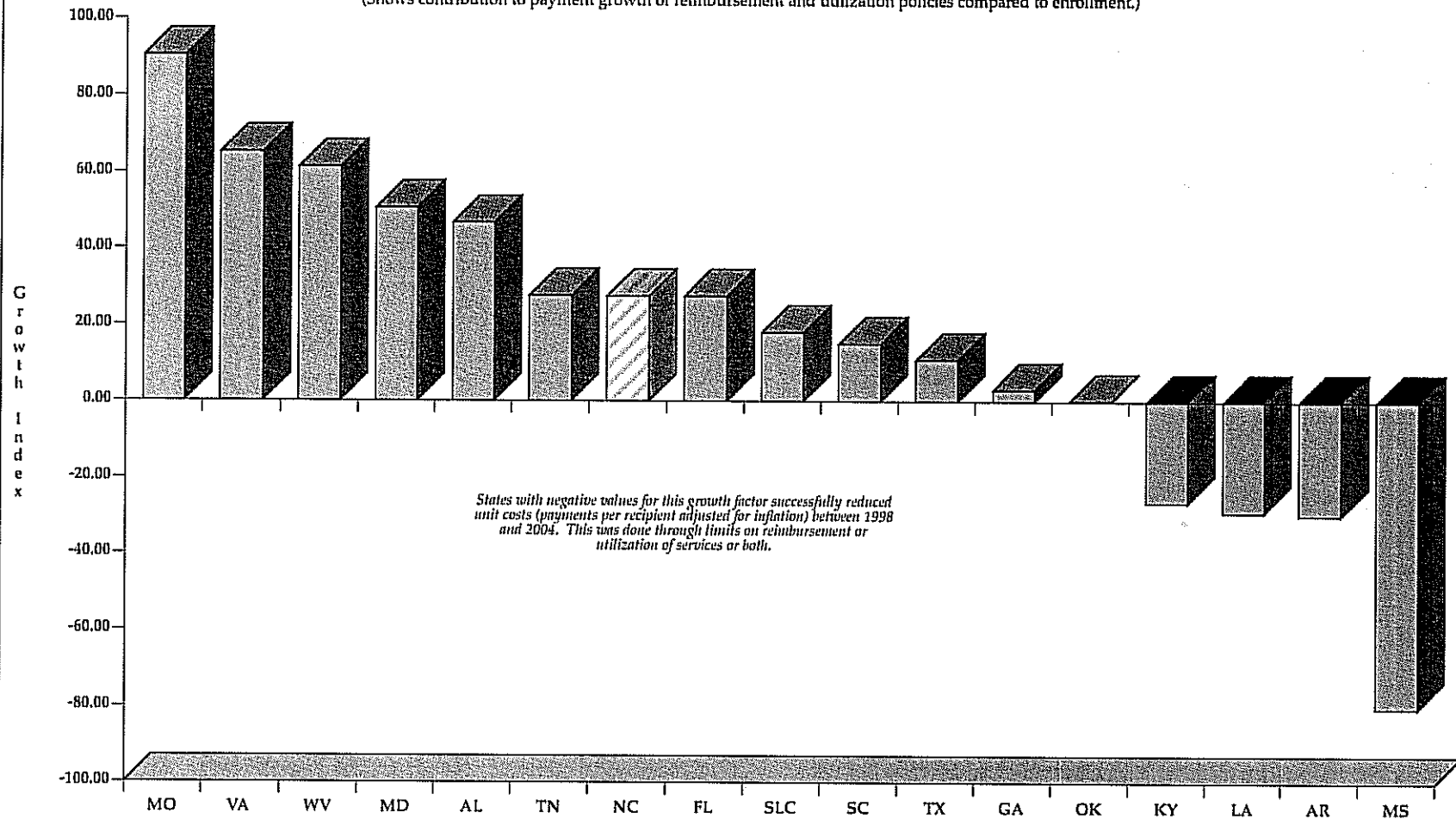
(Shows contribution to payment growth of enrollment when compared to other growth factors for each state.)



See Table 3 and Chart 13. The sum of the enrollment factor and the reimbursement/utilization factor equals 100 for each state. Calculations are based on inflation-adjusted growth.

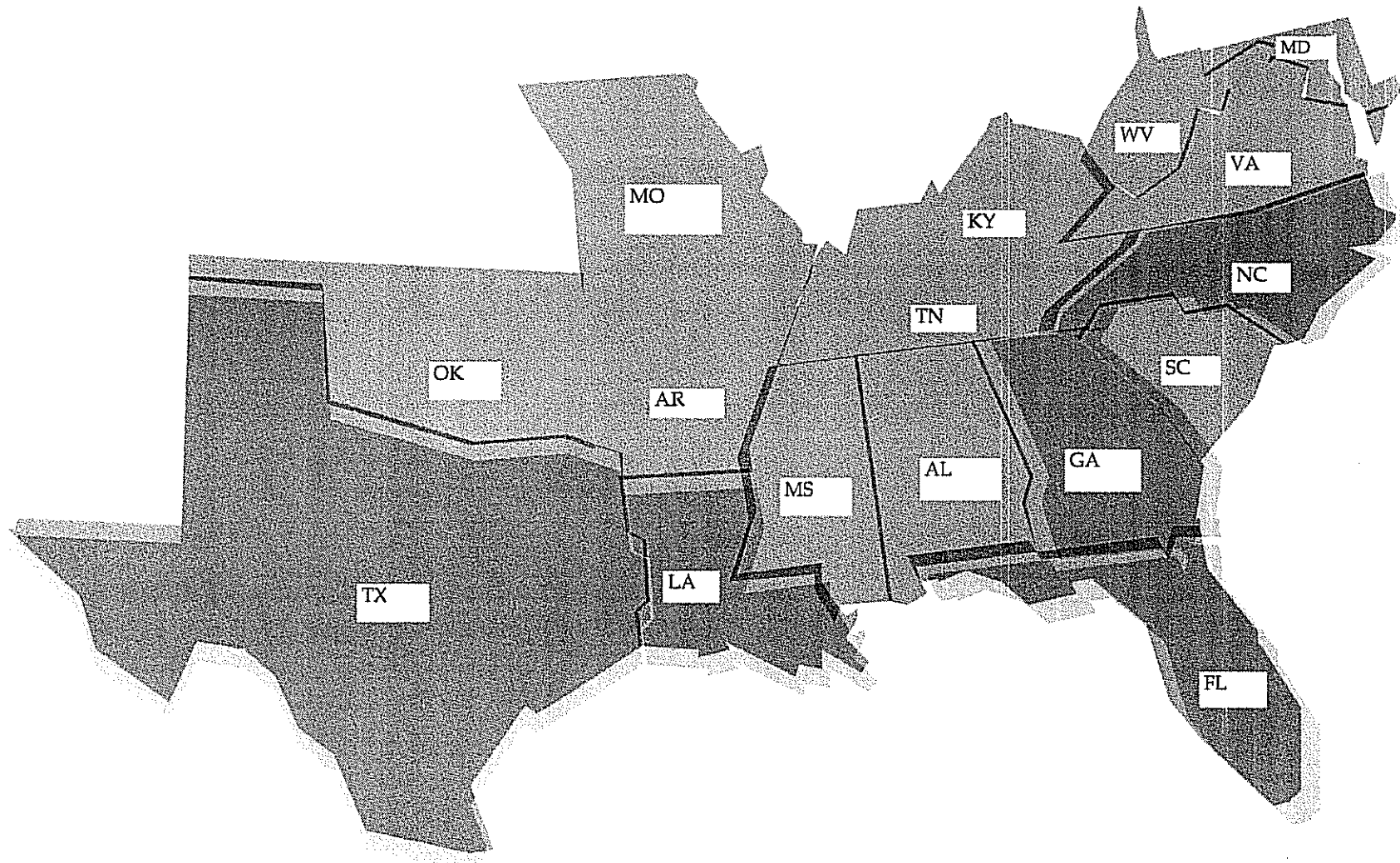
SOUTHERN REGION MEDICAID PROFILE

CHART 13
MEDICAID GROWTH INDEX: REIMBURSEMENT/UTILIZATION POLICY FACTOR
 (Shows contribution to payment growth of reimbursement and utilization policies compared to enrollment.)

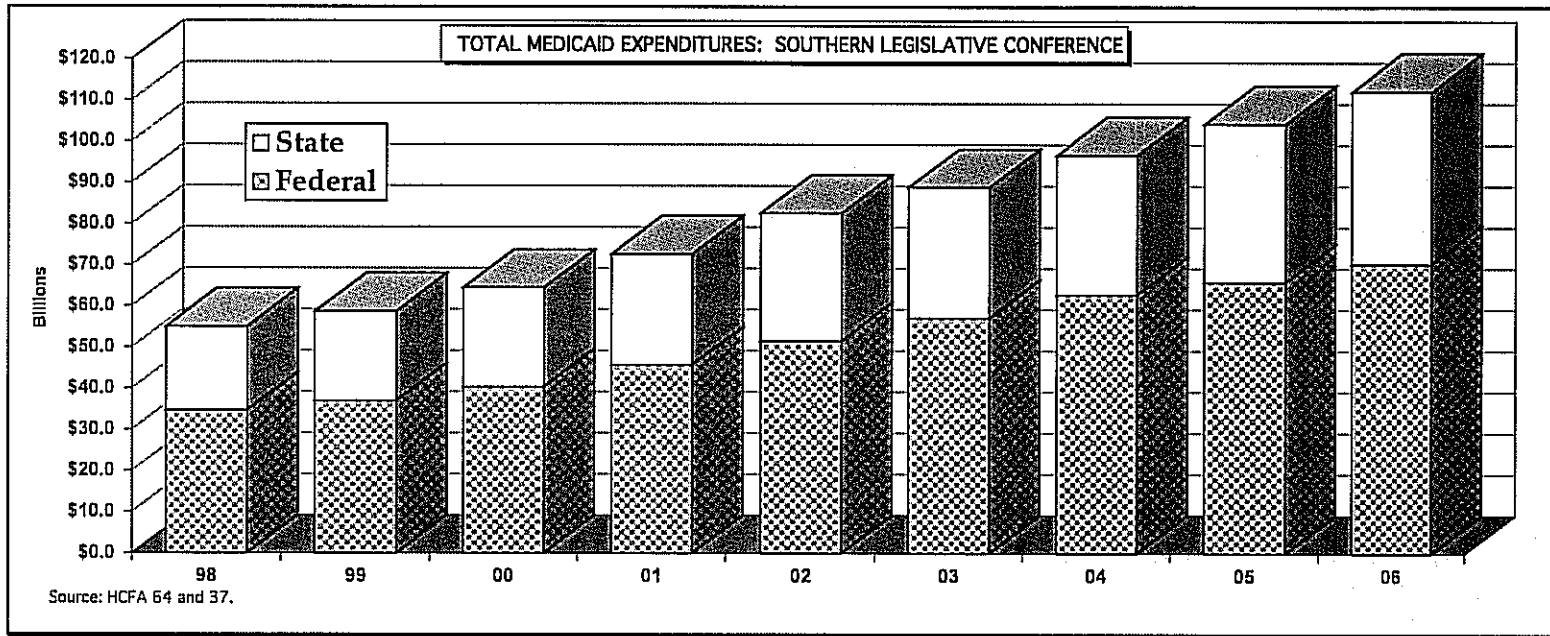


See Table 3 and Chart 12. The sum of the reimbursement/utilization factor and the enrollment factor equals 100 for each state. Calculations are based on inflation-adjusted growth.

SOUTHERN REGION MEDICAID PROFILES



SOUTHERN REGION MEDICAID PROFILE

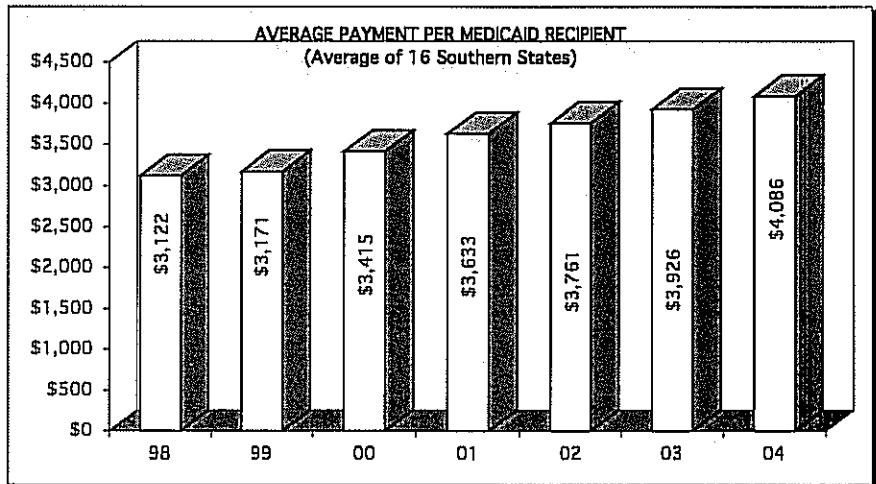
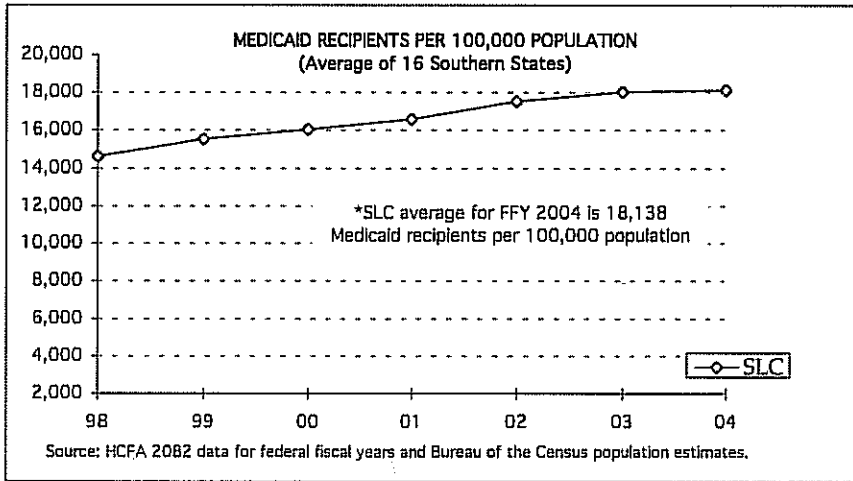


| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05* | FFY 06* | Annual Rate of Change | Total Change 98-06 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------------------|--------------------------|
| Medicaid Payments | 52,539,105,571 | 55,940,297,429 | 61,558,380,518 | 69,355,914,419 | 78,883,024,391 | 84,654,612,944 | 92,331,773,396 | 99,499,569,861 | 107,190,850,000 | 9.3% | 104.0% |
| Federal Share | 33,240,352,251 | 35,382,769,738 | 38,817,062,848 | 43,892,061,187 | 49,486,621,777 | 54,764,150,922 | 60,420,363,969 | 63,234,545,729 | 67,635,837,000 | 9.3% | 103.5% |
| State Share | 19,298,753,320 | 20,557,527,691 | 22,741,317,670 | 25,463,853,232 | 29,396,402,614 | 29,890,462,022 | 31,911,409,427 | 36,265,024,132 | 39,555,013,000 | 9.4% | 105.0% |
| Administrative Costs | 2,479,912,374 | 2,724,565,076 | 2,903,777,393 | 3,293,413,676 | 3,711,701,150 | 4,275,905,958 | 4,299,132,452 | 4,853,267,164 | 5,007,599,000 | 9.2% | 101.9% |
| Federal Share | 1,368,733,422 | 1,532,616,824 | 1,617,989,388 | 1,833,144,729 | 2,084,124,295 | 2,432,846,598 | 2,374,093,784 | 2,675,092,062 | 2,755,772,000 | 9.1% | 101.3% |
| State Share | 1,111,178,952 | 1,191,948,252 | 1,285,788,005 | 1,460,268,947 | 1,627,576,855 | 1,843,059,360 | 1,925,038,668 | 2,178,175,102 | 2,251,827,000 | 9.2% | 102.7% |
| Admin. Costs as % of Payments | 4.72% | 4.87% | 4.72% | 4.75% | 4.71% | 5.05% | 4.66% | 4.88% | 4.67% | | |
| Growth From Prior Year | | | | | | | | | | | |
| Payments | 10.47% | 6.47% | 10.04% | 12.67% | 13.74% | 7.32% | 9.07% | 7.76% | 7.73% | | |
| Administration | 10.01% | 9.87% | 6.58% | 13.42% | 12.70% | 15.20% | 0.54% | 12.89% | 3.18% | | |

*Federal Fiscal Years 05 and 06 reflect total of latest estimates reported by each state in region to the Centers for Medicare and Medicaid Services (CMS)

SOUTHERN LEGISLATIVE CONFERENCE

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|------------|------------|------------|------------|------------|------------|------------|---------------|
| 01. General Hospital | 1,990,634 | 2,196,806 | 2,429,168 | 2,388,891 | 2,443,032 | 2,563,872 | 2,545,805 | 4.2% |
| 02. Mental Hospital | 60,916 | 44,762 | 43,023 | 38,544 | 42,575 | 46,411 | 44,518 | -5.1% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 571,590 | 603,790 | 604,672 | 625,482 | 624,123 | 614,912 | 615,756 | 1.2% |
| 04. Intermediate Care for Mentally Retarded | 48,203 | 47,537 | 47,054 | 46,717 | 45,171 | 44,353 | 44,810 | -1.2% |
| 05. Physician Services | 8,249,687 | 8,803,129 | 9,091,926 | 9,469,807 | 10,521,567 | 11,488,694 | 11,115,736 | 5.1% |
| 06. Dental Services | 1,625,300 | 2,313,868 | 2,425,206 | 2,716,809 | 3,325,878 | 3,860,979 | 3,795,025 | 15.2% |
| 07. Other Practitioners | 1,649,660 | 1,408,077 | 2,063,209 | 2,274,851 | 2,473,820 | 2,431,333 | 2,439,713 | 6.7% |
| 08. Outpatient Hospital | 5,141,377 | 5,580,578 | 5,995,109 | 6,158,653 | 6,561,258 | 7,025,340 | 6,961,055 | 5.2% |
| 09. Clinic Services | 2,008,715 | 3,114,895 | 3,261,716 | 3,412,700 | 3,791,031 | 4,022,511 | 3,958,717 | 12.0% |
| 10. Lab and X-Ray | 3,842,128 | 4,290,286 | 4,604,128 | 5,248,679 | 6,087,312 | 6,727,197 | 6,536,215 | 9.3% |
| 11. Home Health | 558,771 | 243,417 | 370,948 | 432,550 | 482,817 | 526,384 | 654,294 | 2.7% |
| 12. Prescribed Drugs | 9,102,514 | 9,497,897 | 9,805,542 | 10,413,648 | 11,014,837 | 11,946,222 | 11,178,477 | 3.5% |
| 13. Family Planning | 775,409 | 70,613 | 72,693 | 103,352 | 94,988 | 99,567 | 152,769 | -23.7% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 3,054,932 | 0 | 0 | 162,914 | 1,170,794 | 120,941 | 220,455 | -35.5% |
| 15. Other Care | 2,007,526 | 3,090,111 | 3,095,556 | 3,551,403 | 4,092,713 | 4,330,833 | 4,094,020 | 12.6% |
| 16. Personal Care Support Services | 1,435,819 | 1,360,128 | 1,641,216 | 1,748,615 | 2,016,328 | 2,093,643 | 1,962,656 | 5.3% |
| 17. Home/Community Based Waiver Services | 126,870 | 6,000 | 6,100 | 6,100 | 285 | 13,810 | 14,667 | -30.2% |
| 18. Prepaid Health Care | 4,219,218 | 4,732,519 | 5,181,962 | 5,731,063 | 7,589,779 | 8,000,296 | 6,613,804 | 7.8% |
| 19. Primary Care Case Management (PCCM) Services | 2,878,247 | 3,118,936 | 3,313,318 | 4,533,142 | 5,750,844 | 6,024,638 | 6,300,000 | 13.9% |
| Total* | 14,221,110 | 15,272,382 | 15,984,886 | 16,689,284 | 18,316,848 | 19,140,228 | 20,008,923 | 5.9% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | | | | | | | | Annual | Share of Total |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------|----------------|
| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Change | FFY 04 |
| 01. General Hospital | \$7,695,805,442 | \$7,811,370,073 | \$8,674,811,848 | \$9,897,701,703 | \$10,489,373,641 | \$11,479,720,454 | \$12,418,772,968 | 8.3% | 15.2% |
| 02. Mental Hospital | \$466,698,897 | \$566,203,902 | \$604,637,377 | \$684,170,740 | \$695,054,169 | \$703,082,296 | \$781,971,258 | 9.0% | 1.0% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$9,406,538,879 | \$9,613,601,816 | \$10,396,053,995 | \$10,943,769,669 | \$11,917,023,383 | \$12,379,401,100 | \$13,432,903,044 | 6.1% | 16.4% |
| 04. Intermediate Care for Mentally Retarded | \$3,016,249,021 | \$2,988,828,507 | \$3,220,782,132 | \$3,220,923,709 | \$3,392,289,767 | \$3,432,327,065 | \$3,726,043,785 | 3.6% | 4.6% |
| 05. Physician Services | \$2,966,184,558 | \$3,606,492,137 | \$3,688,198,622 | \$3,943,466,330 | \$4,402,093,540 | \$5,169,625,677 | \$5,909,379,948 | 12.2% | 7.2% |
| 06. Dental Services | \$282,618,452 | \$485,467,713 | \$564,839,371 | \$708,110,725 | \$933,069,334 | \$1,153,215,354 | \$1,258,587,917 | 28.3% | 1.5% |
| 07. Other Practitioners | \$211,379,409 | \$145,637,683 | \$312,335,501 | \$362,072,828 | \$378,285,886 | \$395,666,116 | \$431,030,799 | 12.6% | 0.5% |
| 08. Outpatient Hospital | \$2,272,745,475 | \$2,386,167,671 | \$2,749,066,768 | \$2,828,381,746 | \$3,239,447,179 | \$3,793,632,768 | \$4,128,121,335 | 10.5% | 5.0% |
| 09. Clinic Services | \$1,043,342,930 | \$1,708,264,006 | \$1,659,090,308 | \$1,803,824,085 | \$2,390,762,360 | \$2,640,163,077 | \$2,900,793,166 | 18.6% | 3.5% |
| 10. Lab and X-Ray | \$355,940,553 | \$375,903,333 | \$441,210,031 | \$646,249,867 | \$939,965,853 | \$1,116,561,922 | \$1,195,478,323 | 22.4% | 1.5% |
| 11. Home Health | \$689,943,909 | \$700,650,827 | \$924,534,653 | \$1,096,043,940 | \$1,185,850,980 | \$1,269,856,802 | \$1,366,324,763 | 12.1% | 1.7% |
| 12. Prescribed Drugs | \$5,235,243,723 | \$6,492,841,698 | \$8,079,724,791 | \$9,835,808,374 | \$10,940,427,972 | \$13,774,405,692 | \$15,046,897,388 | 19.2% | 18.4% |
| 13. Family Planning | \$177,189,613 | \$54,080,652 | \$59,208,991 | \$85,718,977 | \$80,804,347 | \$87,775,325 | \$108,671,924 | -7.8% | 0.1% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$761,299,119 | \$0 | \$0 | \$0 | \$61,468,942 | \$67,000,519 | \$94,207,826 | -29.4% | 0.1% |
| 15. Other Care | \$862,393,918 | \$3,839,028,921 | \$5,351,746,242 | \$5,545,478,673 | \$6,768,676,051 | \$7,411,940,373 | \$8,211,860,081 | 45.6% | 10.0% |
| 16. Personal Care Support Services | \$2,343,900,549 | \$2,108,026,414 | \$2,219,880,938 | \$2,728,752,518 | \$2,785,509,009 | \$2,912,342,879 | \$2,643,221,882 | 2.0% | 3.2% |
| 17. Home/Community Based Waiver Services | \$1,603,984,759 | \$0 | \$0 | \$0 | \$0 | \$9,007,963 | \$45,381,317 | -44.8% | 0.1% |
| 18. Prepaid Health Care | \$4,857,146,394 | \$5,074,926,516 | \$5,497,036,953 | \$6,155,699,579 | \$8,124,863,811 | \$7,180,538,640 | \$7,852,748,085 | 8.3% | 9.6% |
| 19. Primary Care Case Management (PCCM) Services | \$142,974,019 | \$471,066,597 | \$140,948,046 | \$141,254,881 | \$156,765,335 | \$170,560,054 | \$194,022,909 | 5.2% | 0.2% |
| Total*(excludes DSH pymts, pharmacy rebates, & other adjs.) | \$44,391,579,619 | \$48,428,558,466 | \$54,584,106,567 | \$60,627,428,344 | \$68,881,731,559 | \$75,146,824,076 | \$81,746,418,718 | 10.7% | 100.0% |
| <u>AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES</u> | | | | | | | | | |
| 01. General Hospital | \$3,866.01 | \$3,555.79 | \$3,571.10 | \$4,143.22 | \$4,293.59 | \$4,477.49 | \$4,878.13 | 4.0% | |
| 02. Mental Hospital | \$7,661.35 | \$12,649.21 | \$14,053.82 | \$17,750.31 | \$16,325.41 | \$15,149.04 | \$17,565.28 | 14.8% | |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$16,456.79 | \$15,922.10 | \$17,192.88 | \$17,496.54 | \$19,094.03 | \$20,131.99 | \$21,815.30 | 4.8% | |
| 04. Intermediate Care for Mentally Retarded | \$62,573.89 | \$62,873.73 | \$68,448.64 | \$68,945.17 | \$75,098.84 | \$77,386.58 | \$83,152.06 | 4.9% | |
| 05. Physician Services | \$359.55 | \$409.68 | \$405.66 | \$416.43 | \$418.39 | \$449.98 | \$531.62 | 6.7% | |
| 06. Dental Services | \$173.89 | \$209.81 | \$232.90 | \$260.64 | \$280.55 | \$298.68 | \$331.64 | 11.4% | |
| 07. Other Practitioners | \$128.14 | \$103.43 | \$151.38 | \$159.16 | \$152.92 | \$162.74 | \$176.67 | 5.3% | |
| 08. Outpatient Hospital | \$442.05 | \$427.58 | \$458.55 | \$459.25 | \$493.72 | \$539.99 | \$593.03 | 5.0% | |
| 09. Clinic Services | \$519.41 | \$548.42 | \$508.66 | \$528.56 | \$630.64 | \$656.35 | \$732.76 | 5.9% | |
| 10. Lab and X-Ray | \$92.64 | \$87.62 | \$95.83 | \$123.13 | \$154.41 | \$165.98 | \$182.90 | 12.0% | |
| 11. Home Health | \$1,234.75 | \$2,878.40 | \$2,492.36 | \$2,533.91 | \$2,456.11 | \$2,412.42 | \$2,088.24 | 9.2% | |
| 12. Prescribed Drugs | \$575.14 | \$683.61 | \$824.00 | \$944.51 | \$993.24 | \$1,153.03 | \$1,346.06 | 15.2% | |
| 13. Family Planning | \$228.51 | \$765.87 | \$814.51 | \$829.39 | \$850.68 | \$881.57 | \$711.35 | 20.8% | |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$249.20 | \$0.00 | \$0.00 | \$0.00 | \$52.50 | \$553.99 | \$427.33 | 9.4% | |
| 15. Other Care | \$429.58 | \$1,242.36 | \$1,728.85 | \$1,561.49 | \$1,653.84 | \$1,711.44 | \$2,005.82 | 29.3% | |
| 16. Personal Care Support Services | \$1,632.45 | \$1,549.87 | \$1,352.58 | \$1,560.52 | \$1,381.48 | \$1,391.04 | \$1,346.76 | -3.2% | |
| 17. Home/Community Based Waiver Services | \$12,642.74 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$652.28 | \$3,094.11 | -20.9% | |
| 18. Prepaid Health Care | \$1,151.20 | \$1,072.35 | \$1,060.80 | \$1,074.09 | \$1,070.50 | \$897.53 | \$1,187.33 | 0.5% | |
| 19. Primary Care Case Management (PCCM) Services | \$49.67 | \$151.03 | \$42.54 | \$31.16 | \$27.26 | \$28.31 | \$30.80 | -7.7% | |
| Total (Average)* | \$3,121.53 | \$3,170.99 | \$3,414.73 | \$3,632.72 | \$3,760.57 | \$3,926.12 | \$4,085.51 | 4.6% | |
| TOTAL PER CAPITA EXPENDITURES | \$566.56 | \$596.44 | \$647.20 | \$721.70 | \$790.56 | \$838.22 | \$875.95 | 7.5% | |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 6,086,892 | 5,394,284 | 5,459,073 | 5,783,398 | 6,293,268 | 6,409,730 | 6,059,191 | -0.1% | 30.1% |
| Poverty Related Eligibles | 4,542,086 | 5,902,396 | 6,761,678 | 7,056,063 | 7,103,016 | 7,626,378 | 8,942,908 | 12.0% | 44.7% |
| Medically Needy | 510,429 | 399,668 | 409,047 | 398,099 | 425,163 | 535,253 | 559,980 | 1.6% | 2.8% |
| Other Eligibles | 2,388,385 | 2,369,330 | 2,155,657 | 2,548,213 | 3,231,636 | 3,096,892 | 2,932,598 | 3.5% | 14.7% |
| Maintenance Assistance Status Unknown | 693,318 | 1,206,704 | 1,199,431 | 903,510 | 1,263,765 | 1,471,975 | 1,514,246 | 13.9% | 7.6% |
| Total* | 14,221,110 | 15,272,382 | 15,984,886 | 16,689,284 | 18,316,848 | 19,140,228 | 20,008,923 | 5.9% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 4,184,399 | 4,234,992 | 4,311,641 | 4,421,709 | 4,821,029 | 4,609,504 | 4,841,048 | 2.5% | 24.2% |
| Children | 6,832,221 | 7,138,161 | 7,673,404 | 8,271,663 | 9,340,179 | 9,651,605 | 9,877,639 | 6.3% | 49.4% |
| Foster Care Children | 169,293 | 182,480 | 196,864 | 210,280 | 230,829 | 241,489 | 226,186 | 4.9% | 1.1% |
| Adults | 2,335,478 | 2,510,045 | 2,603,546 | 2,878,947 | 3,308,281 | 3,279,353 | 3,394,865 | 6.4% | 17.0% |
| Basis of Eligibility Unknown | 699,719 | 1,206,704 | 1,199,431 | 906,686 | 616,530 | 1,358,277 | 1,669,185 | 15.6% | 8.3% |
| Total* | 14,221,110 | 15,272,382 | 15,984,886 | 16,689,284 | 18,316,848 | 19,140,228 | 20,008,923 | 5.9% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 735,839 | 631,925 | 686,260 | 816,563 | 759,235 | 718,942 | 753,792 | 0.4% | 3.8% |
| Age 1 to 5 | 2,717,525 | 2,699,714 | 2,852,696 | 3,082,716 | 3,422,699 | 3,573,480 | 3,701,006 | 5.3% | 18.5% |
| Age 6 to 14 | 3,214,275 | 3,335,797 | 3,549,239 | 3,774,077 | 4,245,657 | 4,445,867 | 4,609,680 | 6.2% | 23.0% |
| Age 15 to 20 | 1,350,397 | 1,482,596 | 1,620,524 | 1,725,551 | 1,958,043 | 2,078,444 | 2,194,846 | 8.4% | 11.0% |
| Age 21 to 44 | 2,986,878 | 2,888,913 | 2,986,202 | 3,193,166 | 3,484,069 | 3,570,533 | 3,674,373 | 3.5% | 18.4% |
| Age 45 to 64 | 1,252,801 | 1,273,843 | 1,332,954 | 1,420,920 | 1,520,147 | 1,575,567 | 1,721,144 | 5.4% | 8.6% |
| Age 65 to 74 | 723,555 | 699,095 | 707,391 | 727,529 | 724,284 | 748,021 | 787,524 | 1.4% | 3.9% |
| Age 75 to 84 | 638,863 | 612,354 | 614,378 | 623,727 | 628,558 | 649,377 | 681,032 | 1.1% | 3.4% |
| Age 85 and Over | 504,370 | 442,624 | 435,875 | 421,645 | 421,822 | 423,835 | 443,781 | -2.1% | 2.2% |
| Age Unknown | 96,607 | 1,205,521 | 1,199,367 | 903,390 | 1,152,334 | 1,356,162 | 1,441,745 | 56.9% | 7.2% |
| Total* | 14,221,110 | 15,272,382 | 15,984,886 | 16,689,284 | 18,316,848 | 19,140,228 | 20,008,923 | 5.9% | 100.0% |
| By Race | | | | | | | | | |
| White | 6,544,851 | 6,954,357 | 7,278,347 | 7,645,208 | 7,888,507 | 8,148,843 | 8,565,858 | 4.6% | 42.8% |
| Black | 5,185,949 | 5,384,105 | 5,638,161 | 5,881,619 | 5,998,346 | 6,309,067 | 6,595,805 | 4.1% | 33.0% |
| Hispanic, American Indian or Asian | 1,782,371 | 2,036,784 | 2,178,276 | 2,241,169 | 2,544,473 | 2,905,355 | 3,065,290 | 9.5% | 15.3% |
| Other/ Unknown | 707,939 | 897,137 | 890,103 | 921,288 | 1,885,522 | 1,776,963 | 1,781,970 | 16.6% | 8.9% |
| Total* | 14,221,110 | 15,272,382 | 15,984,886 | 16,689,284 | 18,316,848 | 19,140,228 | 20,008,923 | 5.9% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 8,611,455 | 8,895,863 | 9,537,782 | 9,969,406 | 10,206,635 | 10,776,846 | 11,323,762 | 4.7% | 56.6% |
| Male | 5,506,669 | 6,141,107 | 6,247,316 | 6,515,417 | 6,972,574 | 7,379,419 | 7,724,120 | 5.8% | 38.6% |
| Unknown | 102,986 | 235,412 | 199,789 | 204,461 | 1,137,639 | 983,963 | 961,041 | 45.1% | 4.8% |
| Total* | 14,221,110 | 15,272,382 | 15,984,886 | 16,689,284 | 18,316,848 | 19,140,228 | 20,008,923 | 5.9% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$19,885,565,184 | \$21,286,379,627 | \$23,910,613,694 | \$26,402,473,600 | \$29,248,406,147 | \$31,935,634,649 | \$37,346,912,923 | 11.1% | 45.7% |
| Poverty Related Eligibles | \$8,325,213,007 | \$9,545,770,270 | \$11,179,400,537 | \$12,937,788,156 | \$13,488,576,200 | \$14,795,602,700 | \$16,088,214,304 | 11.6% | 19.7% |
| Medically Needy | \$2,295,297,043 | \$2,152,941,343 | \$2,415,698,764 | \$2,598,822,225 | \$2,799,172,066 | \$3,263,138,086 | \$3,545,226,318 | 7.5% | 4.3% |
| Other Eligibles | \$12,791,860,977 | \$13,831,240,299 | \$14,817,418,144 | \$16,731,033,037 | \$20,085,041,223 | \$21,607,229,642 | \$21,016,621,736 | 8.6% | 25.7% |
| Maintenance Assistance Status Unknown | \$1,093,643,408 | \$1,612,226,927 | \$2,260,975,428 | \$1,957,311,326 | \$3,260,535,923 | \$3,545,218,999 | \$3,749,443,437 | 22.8% | 4.6% |
| Total* | \$44,391,579,619 | \$48,428,558,466 | \$54,584,106,567 | \$60,627,428,344 | \$68,881,731,559 | \$75,146,824,076 | \$81,746,418,718 | 10.7% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | \$29,254,139,891 | \$33,682,727,572 | \$37,093,256,744 | \$40,818,434,711 | \$44,757,928,741 | \$48,564,826,252 | \$52,975,607,240 | 10.4% | 64.8% |
| Children | \$6,847,548,537 | \$7,601,616,984 | \$8,750,447,703 | \$10,209,916,123 | \$12,167,928,160 | \$13,285,455,875 | \$14,170,069,682 | 12.9% | 17.3% |
| Foster Care Children | \$637,703,288 | \$803,316,893 | \$978,270,045 | \$1,155,806,641 | \$1,397,663,131 | \$1,594,059,121 | \$1,531,155,836 | 15.7% | 1.9% |
| Adults | \$6,555,805,822 | \$4,728,670,090 | \$5,501,156,647 | \$6,481,524,826 | \$7,284,584,100 | \$8,219,204,243 | \$8,922,320,784 | 5.3% | 10.9% |
| Basis of Eligibility Unknown | \$1,096,382,080 | \$1,612,226,927 | \$2,260,975,428 | \$1,961,746,043 | \$3,273,627,427 | \$3,483,278,585 | \$4,147,265,176 | 24.8% | 5.1% |
| Total* | \$44,391,579,619 | \$48,428,558,466 | \$54,584,106,567 | \$60,627,428,344 | \$68,881,731,559 | \$75,146,824,076 | \$81,746,418,718 | 10.7% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$1,771,694,486 | \$1,601,451,257 | \$1,854,647,115 | \$2,442,062,235 | \$2,453,625,720 | \$2,492,958,552 | \$2,643,209,336 | 6.9% | 3.2% |
| Age 1 to 5 | \$3,146,299,450 | \$3,592,441,466 | \$4,006,652,524 | \$4,553,081,803 | \$5,498,473,538 | \$6,086,167,736 | \$6,473,711,927 | 12.8% | 7.9% |
| Age 6 to 14 | \$3,589,429,183 | \$4,040,527,784 | \$4,621,225,325 | \$5,348,507,429 | \$6,288,536,759 | \$7,000,362,105 | \$7,606,275,556 | 13.3% | 9.3% |
| Age 15 to 20 | \$2,908,648,119 | \$3,261,879,539 | \$3,750,426,988 | \$4,187,527,145 | \$4,793,828,275 | \$5,280,074,028 | \$5,674,575,298 | 11.8% | 6.9% |
| Age 21 to 44 | \$10,571,479,867 | \$11,155,250,016 | \$12,580,356,699 | \$13,833,745,959 | \$15,229,902,065 | \$16,565,261,158 | \$18,182,432,471 | 9.5% | 22.2% |
| Age 45 to 64 | \$7,808,293,513 | \$8,631,111,836 | \$10,164,965,717 | \$11,585,785,552 | \$13,355,271,930 | \$15,016,434,017 | \$16,288,490,367 | 13.0% | 19.9% |
| Age 65 to 74 | \$3,598,545,951 | \$3,806,932,220 | \$4,187,972,763 | \$4,542,448,455 | \$4,925,909,326 | \$5,407,407,245 | \$6,032,774,255 | 9.0% | 7.4% |
| Age 75 to 84 | \$4,935,072,820 | \$5,064,442,277 | \$5,385,404,473 | \$6,006,962,861 | \$6,483,374,682 | \$6,922,451,665 | \$7,541,166,766 | 7.3% | 9.2% |
| Age 85 and Over | \$5,594,599,987 | \$5,663,410,012 | \$5,771,480,936 | \$6,170,224,725 | \$6,664,694,452 | \$6,915,370,185 | \$7,423,377,468 | 4.8% | 9.1% |
| Age Unknown | \$467,516,242 | \$1,611,112,059 | \$2,260,974,027 | \$1,957,082,180 | \$3,188,114,812 | \$3,460,337,385 | \$3,880,405,274 | 42.3% | 4.7% |
| Total* | \$44,391,579,619 | \$48,428,558,466 | \$54,584,106,567 | \$60,627,428,344 | \$68,881,731,559 | \$75,146,824,076 | \$81,746,418,718 | 10.7% | 100.0% |
| By Race | | | | | | | | | |
| White | \$24,607,752,543 | \$26,513,055,644 | \$29,944,532,785 | \$33,504,740,464 | \$36,677,278,080 | \$39,440,116,669 | \$43,379,881,709 | 9.9% | 53.1% |
| Black | \$12,622,185,545 | \$13,573,667,922 | \$15,557,777,755 | \$17,340,782,043 | \$18,870,882,139 | \$20,257,599,519 | \$22,326,775,529 | 10.0% | 27.3% |
| Hispanic, American Indian or Asian | \$3,364,253,343 | \$3,934,769,662 | \$4,555,703,285 | \$5,007,164,901 | \$6,408,580,065 | \$7,344,467,509 | \$8,105,609,777 | 15.8% | 9.9% |
| Other/ Unknown | \$3,797,388,189 | \$4,407,065,237 | \$4,526,092,742 | \$4,774,740,936 | \$6,924,991,275 | \$8,104,640,379 | \$7,934,151,703 | 13.1% | 9.7% |
| Total* | \$44,391,579,619 | \$48,428,558,466 | \$54,584,106,567 | \$60,627,428,344 | \$68,881,731,559 | \$75,146,824,076 | \$81,746,418,718 | 10.7% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$25,670,077,904 | \$29,020,428,198 | \$32,615,665,096 | \$36,457,826,597 | \$39,964,120,554 | \$43,836,351,031 | \$47,768,239,200 | 10.9% | 58.4% |
| Male | \$17,637,519,437 | \$18,054,993,464 | \$20,513,530,376 | \$22,942,800,029 | \$25,718,118,136 | \$28,221,009,240 | \$31,428,369,356 | 10.1% | 38.4% |
| Unknown | \$1,083,982,277 | \$1,353,136,803 | \$1,454,911,095 | \$1,226,801,718 | \$3,199,492,869 | \$3,089,463,805 | \$2,549,810,162 | 15.3% | 3.1% |
| Total* | \$44,391,579,619 | \$48,428,558,466 | \$54,584,106,567 | \$60,627,428,344 | \$68,881,731,559 | \$75,146,824,076 | \$81,746,418,718 | 10.7% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

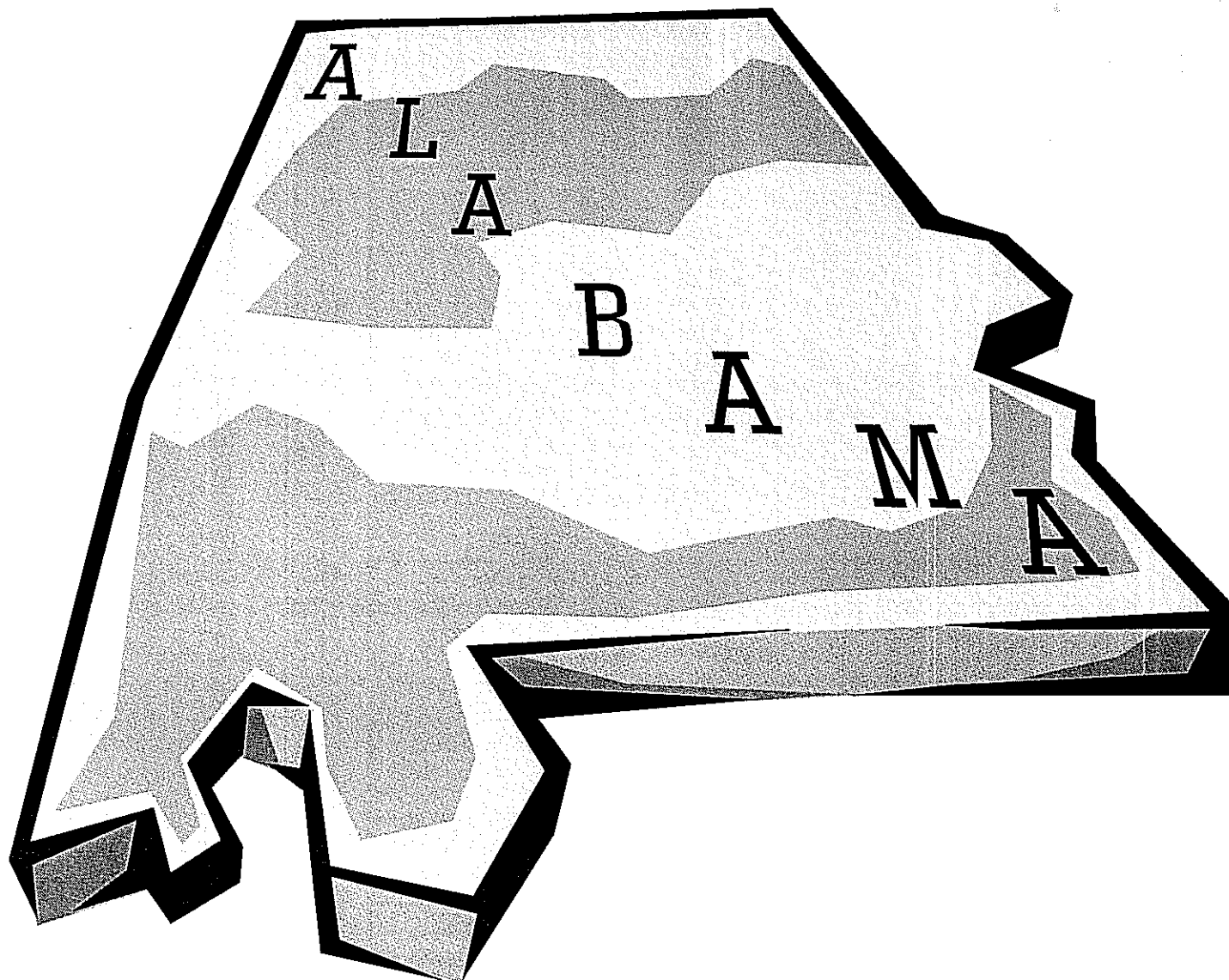
AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
| By Maintenance Assistance Status | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,266.95 | \$3,946.10 | \$4,379.98 | \$4,565.22 | \$4,647.57 | \$4,982.37 | \$6,163.68 | 11.2% |
| Poverty Related Eligibles | \$1,832.91 | \$1,617.27 | \$1,653.35 | \$1,833.57 | \$1,898.99 | \$1,940.06 | \$1,798.99 | -0.3% |
| Medically Needy | \$4,496.80 | \$5,386.82 | \$5,905.68 | \$6,528.08 | \$6,583.76 | \$6,096.44 | \$6,330.99 | 5.9% |
| Other Eligibles | \$5,355.86 | \$5,837.62 | \$6,873.74 | \$6,565.79 | \$6,215.13 | \$6,977.07 | \$7,166.55 | 5.0% |
| Maintenance Assistance Status Unknown | \$1,577.41 | \$1,336.06 | \$1,885.04 | \$2,166.34 | \$2,580.02 | \$2,408.48 | \$2,476.11 | 7.8% |
| Total* | \$3,121.53 | \$3,170.99 | \$3,414.73 | \$3,632.72 | \$3,760.57 | \$3,926.12 | \$4,085.51 | 4.6% |
| By Basis of Eligibility | | | | | | | | |
| Aged, Blind, or Disable | \$6,991.24 | \$7,953.43 | \$8,603.05 | \$9,231.37 | \$9,283.90 | \$10,535.80 | \$10,943.00 | 7.8% |
| Children | \$1,002.24 | \$1,064.93 | \$1,140.36 | \$1,234.32 | \$1,302.75 | \$1,376.50 | \$1,434.56 | 6.2% |
| Foster Care Children | \$3,766.86 | \$4,402.22 | \$4,969.27 | \$5,496.52 | \$6,054.97 | \$6,600.96 | \$6,769.45 | 10.3% |
| Adults | \$2,807.05 | \$1,883.90 | \$2,112.95 | \$2,251.35 | \$2,201.92 | \$2,506.35 | \$2,628.18 | -1.1% |
| Basis of Eligibility Unknown | \$1,566.89 | \$1,336.06 | \$1,885.04 | \$2,163.64 | \$5,309.76 | \$2,564.48 | \$2,484.60 | 8.0% |
| Total* | \$3,121.53 | \$3,170.99 | \$3,414.73 | \$3,632.72 | \$3,760.57 | \$3,926.12 | \$4,085.51 | 4.6% |
| By Age | | | | | | | | |
| Under Age 1 | \$2,407.72 | \$2,534.24 | \$2,702.54 | \$2,990.66 | \$3,231.71 | \$3,467.54 | \$3,506.55 | 6.5% |
| Age 1 to 5 | \$1,157.78 | \$1,330.67 | \$1,404.51 | \$1,476.97 | \$1,606.47 | \$1,703.15 | \$1,749.18 | 7.1% |
| Age 6 to 14 | \$1,116.72 | \$1,211.26 | \$1,302.03 | \$1,417.17 | \$1,481.17 | \$1,574.58 | \$1,650.07 | 6.7% |
| Age 15 to 20 | \$2,153.92 | \$2,200.11 | \$2,314.33 | \$2,426.78 | \$2,448.28 | \$2,540.40 | \$2,585.41 | 3.1% |
| Age 21 to 44 | \$3,539.31 | \$3,861.40 | \$4,212.83 | \$4,332.30 | \$4,371.30 | \$4,639.44 | \$4,948.44 | 5.7% |
| Age 45 to 64 | \$6,232.67 | \$6,775.65 | \$7,625.89 | \$8,153.72 | \$8,785.51 | \$9,530.81 | \$9,463.76 | 7.2% |
| Age 65 to 74 | \$4,973.42 | \$5,445.51 | \$5,920.31 | \$6,243.66 | \$6,801.07 | \$7,228.95 | \$7,660.43 | 7.5% |
| Age 75 to 84 | \$7,724.77 | \$8,270.45 | \$8,765.62 | \$9,630.75 | \$10,314.68 | \$10,660.14 | \$11,073.15 | 6.2% |
| Age 85 and Over | \$11,092.25 | \$12,795.08 | \$13,241.14 | \$14,633.69 | \$15,799.78 | \$16,316.18 | \$16,727.57 | 7.1% |
| Age Unknown | \$4,839.36 | \$1,336.44 | \$1,885.14 | \$2,166.38 | \$2,766.66 | \$2,551.57 | \$2,691.46 | -9.3% |
| Total* | \$3,121.53 | \$3,170.99 | \$3,414.73 | \$3,632.72 | \$3,760.57 | \$3,926.12 | \$4,085.51 | 4.6% |
| By Race | | | | | | | | |
| White | \$3,759.86 | \$3,812.44 | \$4,114.19 | \$4,382.45 | \$4,649.46 | \$4,839.97 | \$5,064.28 | 5.1% |
| Black | \$2,433.92 | \$2,521.06 | \$2,759.37 | \$2,948.30 | \$3,146.01 | \$3,210.87 | \$3,385.00 | 5.7% |
| Hispanic, American Indian or Asian | \$1,887.52 | \$1,931.85 | \$2,091.43 | \$2,234.18 | \$2,518.63 | \$2,527.91 | \$2,644.32 | 5.8% |
| Other/Unknown | \$5,364.00 | \$4,912.37 | \$5,084.91 | \$5,182.68 | \$3,672.72 | \$4,560.95 | \$4,452.46 | -3.1% |
| Total* | \$3,121.53 | \$3,170.99 | \$3,414.73 | \$3,632.72 | \$3,760.57 | \$3,926.12 | \$4,085.51 | 4.6% |
| By Sex | | | | | | | | |
| Female | \$2,980.92 | \$3,262.24 | \$3,419.63 | \$3,656.97 | \$3,915.50 | \$4,067.64 | \$4,218.41 | 6.0% |
| Male | \$3,202.94 | \$2,940.02 | \$3,283.58 | \$3,521.31 | \$3,688.47 | \$3,824.29 | \$4,068.86 | 4.1% |
| Unknown | \$10,525.53 | \$5,747.95 | \$7,282.24 | \$6,000.17 | \$2,812.40 | \$3,139.82 | \$2,653.18 | -20.5% |
| Total* | \$3,121.53 | \$3,170.99 | \$3,414.73 | \$3,632.72 | \$3,760.57 | \$3,926.12 | \$4,085.51 | 4.6% |

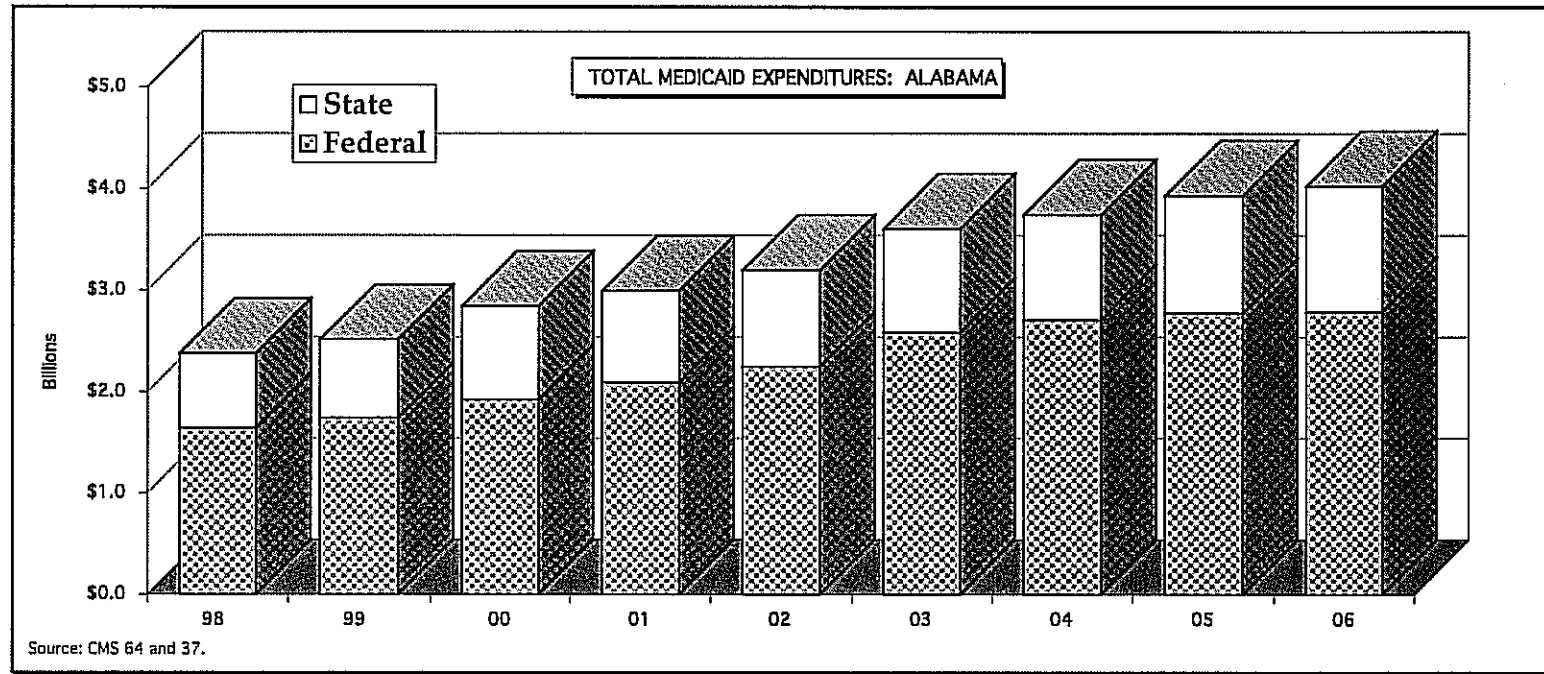
Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

STATE MEDICAID PROFILES

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------|--------------------------|
| Medicaid Payments | \$2,326,929,484 | \$2,438,540,244 | \$2,773,701,447 | \$2,886,401,740 | \$3,097,899,240 | \$3,477,983,432 | \$3,636,777,895 | \$3,838,435,000 | \$3,929,231,000 | 6.8% | 68.9% |
| Federal Share | \$1,614,516,026 | \$1,691,536,003 | \$1,884,058,352 | \$2,024,861,694 | \$2,188,351,619 | \$2,508,354,966 | \$2,650,074,779 | \$2,726,458,000 | \$2,738,086,000 | 6.8% | 69.6% |
| State Share | \$712,413,458 | \$747,004,241 | \$889,643,095 | \$861,540,046 | \$909,547,621 | \$969,628,466 | \$986,703,116 | \$1,111,977,000 | \$1,191,145,000 | 6.6% | 67.2% |
| Administrative Costs | \$53,658,195 | \$79,962,881 | \$74,090,808 | \$112,293,202 | \$101,262,707 | \$127,998,912 | \$105,702,103 | \$92,950,000 | \$96,820,000 | 7.7% | 80.4% |
| Federal Share | \$31,069,394 | \$51,456,609 | \$42,231,761 | \$64,813,395 | \$58,063,419 | \$78,210,631 | \$61,917,937 | \$52,673,000 | \$52,339,000 | 6.7% | 68.5% |
| State Share | \$22,588,801 | \$28,506,272 | \$31,859,047 | \$47,479,807 | \$43,199,288 | \$49,788,281 | \$43,784,166 | \$40,277,000 | \$44,481,000 | 8.8% | 96.9% |
| Admin. Costs as % of Payments | 2.31% | 3.28% | 2.67% | 3.89% | 3.27% | 3.68% | 2.91% | 2.42% | 2.46% | | |
| Federal Match Rate* | 69.32% | 69.27% | 69.57% | 69.99% | 70.45% | 70.60% | 70.80% | 70.83% | 69.51% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|---------------|---------------|----------------|--------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$341,825,123 | \$231,726,175 | \$22,588,801 | \$43,784,166 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$29,000,000 | \$37,517,248 | \$0 | \$0 |
| Donations | \$0 | \$83,263 | \$0 | \$0 |
| Other | \$341,588,335 | \$717,376,430 | \$0 | \$0 |
| Total State Share | \$712,413,458 | \$986,703,116 | \$22,588,801 | \$43,784,166 |

| Provider Taxes Currently in Place (FFY 04) | | |
|--|------------------------------------|--------------|
| Provider(s) | Tax Rate | Amount |
| Nursing homes | \$1,200 per bed/year | \$30,995,183 |
| Pharmacies | \$.10 per prescription over \$3.00 | \$6,522,065 |
| Total | | \$37,517,248 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Hospitals | \$389,273,781 | \$384,333,879 | \$353,173,872 | \$363,436,268 | \$370,514,816 | \$350,366,735 | \$405,765,866 | \$405,622,000 | \$416,689,000 | 2.8% |
| Mental Hospitals | \$4,451,769 | \$3,301,620 | \$3,301,620 | \$3,301,620 | \$3,301,620 | \$3,301,620 | \$3,301,620 | \$3,302,000 | \$0 | -100.0% |
| Total | \$393,725,550 | \$387,635,499 | \$356,475,492 | \$366,737,888 | \$373,816,436 | \$353,668,355 | \$409,067,486 | \$408,924,000 | \$416,689,000 | 2.6% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | N/A | N/A |
| Payment Standard | \$215 | 16.5% |
| Maximum Payment | \$215 | 16.5% |
| Medically Needy Program (Family of 2) | | |
| Income Eligibility Standard | N/A | |
| Resource Standard | N/A | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and children to 6 | | 133.0% |
| Children 6 to 14 | | 100.0% |
| Children 14 to 18 | | 100.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$584 | 75.3% |
| Couple | \$866 | 83.2% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

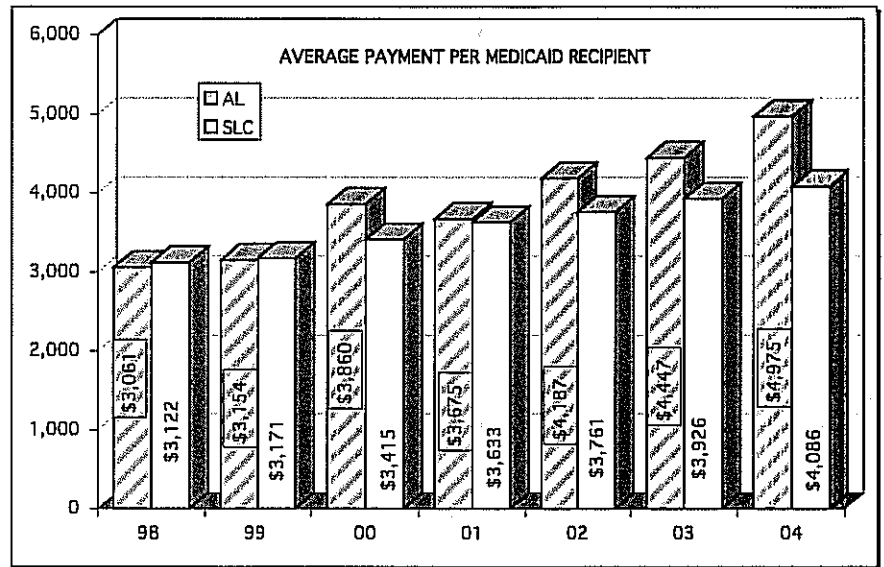
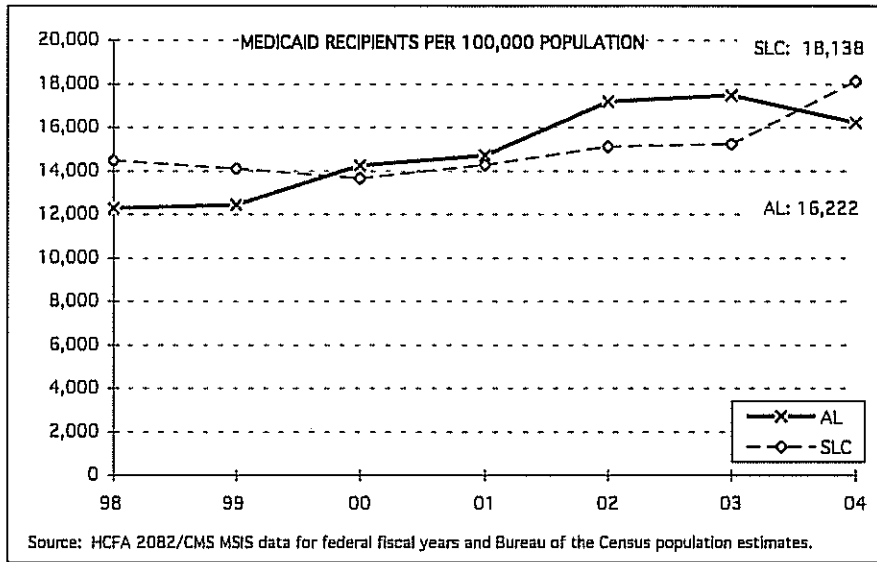
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 4,530,182 | 23 |
| Per capita personal income** | \$27,795 | 40 |
| Median household income** | \$37,419 | 43 |
| Population below Federal Poverty Level on July 1, 2003* | 684,057 | |
| Percent of total state population | 15.1% | 7 |
| Population without health insurance coverage* | 629,000 | 22 |
| Percent of total state population | 13.9% | 25 |
| Recipients of Food Stamps*** | 497,591 | 17 |
| Households receiving Food Stamps*** | 197,237 | 21 |
| Total value of issuance*** | \$506,357,082 | 17 |
| Average monthly benefit per recipient | \$84.80 | 14 |
| Average monthly benefit per household | \$213.94 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 46,934 | 24 |
| Total TANF payments**** | \$46,787,904 | 45 |
| Average monthly payment per recipient | \$83.07 | 45 |
| Maximum monthly payment per family of 3 | \$215.00 | 49 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|
| 01. General Hospital | 28,911 | 28,142 | 54,225 | 55,652 | 68,429 | 68,754 | 67,760 | 15.1% |
| 02. Mental Hospital | 1,329 | 1,510 | 1,604 | 1,786 | 567 | 496 | 518 | -14.5% |
| 03. Skilled and Intermediate (non-MIR) Care Nursing | 23,844 | 24,576 | 25,118 | 28,550 | 26,530 | 26,692 | 26,665 | 1.9% |
| 04. Intermediate Care for Mentally Retarded | 750 | 706 | 674 | 796 | 558 | 418 | 405 | -9.8% |
| 05. Physician Services | 393,194 | 388,851 | 404,612 | 444,067 | 511,827 | 526,291 | 515,344 | 4.6% |
| 06. Dental Services | 68,485 | 76,694 | 72,287 | 82,592 | 116,462 | 138,858 | 137,042 | 12.3% |
| 07. Other Practitioners | 72,649 | 87,071 | 70,759 | 89,460 | 98,840 | 97,032 | 95,346 | 4.6% |
| 08. Outpatient Hospital | 221,538 | 184,497 | 218,623 | 245,726 | 264,266 | 276,616 | 365,389 | 8.7% |
| 09. Clinic Services | 111,804 | 167,043 | 167,483 | 154,812 | 273,701 | 268,759 | 265,020 | 15.5% |
| 10. Lab and X-Ray | 157,551 | 275,979 | 303,590 | 357,197 | 345,876 | 345,618 | 407,953 | 17.2% |
| 11. Home Health | 43,277 | 18,878 | 51,088 | 60,339 | 62,771 | 68,241 | 67,245 | 7.6% |
| 12. Prescribed Drugs | 395,290 | 405,338 | 438,529 | 496,797 | 500,790 | 527,855 | 541,235 | 5.4% |
| 13. Family Planning | 35,953 | 4,003 | 3,703 | 33,576 | 3,398 | 3,449 | 3,174 | -33.3% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 121,122 | 0 | 0 | 162,914 | 0 | 0 | 0 | -100.0% |
| 15. Other Care | 75,170 | 68,207 | 88,808 | 148,251 | 126,078 | 122,197 | 120,142 | 8.1% |
| 16. Personal Care Support Services | 52,098 | 56,898 | 37,473 | 0 | 50,298 | 53,440 | 52,498 | 0.1% |
| 17. Home/Community Based Waiver Services | 4,112 | 0 | 0 | 0 | 0 | 0 | 0 | -100.0% |
| 18. Prepaid Health Care | 344,907 | 0 | 0 | 8,461 | 489,447 | 517,964 | 513,515 | 6.9% |
| 19. Primary Care Case Management (PCCM) Services | 151,910 | 0 | 417,457 | 380,000 | 424,889 | 442,633 | 442,633 | 19.5% |
| Total* | 527,078 | 537,480 | 619,480 | 643,527 | 765,328 | 780,617 | 734,905 | 5.7% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------------|
| 01. General Hospital | \$190,942,492 | \$195,552,348 | \$148,854,036 | \$334,616,062 | \$182,897,571 | \$201,752,940 | \$201,752,940 | 0.9% | 5.5% |
| 02. Mental Hospital | \$26,475,030 | \$30,597,097 | \$34,894,808 | \$35,450,442 | \$25,804,158 | \$19,628,270 | \$44,561,281 | 9.1% | 1.2% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$522,825,844 | \$562,914,508 | \$622,181,339 | \$666,221,211 | \$667,433,222 | \$710,889,268 | \$764,678,543 | 6.5% | 20.9% |
| 04. Intermediate Care for Mentally Retarded | \$55,663,840 | \$59,189,494 | \$62,973,298 | \$61,589,438 | \$60,382,174 | \$54,858,987 | \$54,858,987 | -0.2% | 1.5% |
| 05. Physician Services | \$115,683,384 | \$188,073,488 | \$119,160,192 | \$135,989,905 | \$190,744,343 | \$208,562,768 | \$175,631,637 | 7.2% | 4.8% |
| 06. Dental Services | \$9,698,164 | \$10,518,783 | \$11,465,011 | \$23,157,211 | \$34,650,020 | \$40,696,990 | \$44,152,044 | 28.7% | 1.2% |
| 07. Other Practitioners | \$7,888,253 | \$6,174,889 | \$4,428,368 | \$6,340,319 | \$8,666,728 | \$9,475,258 | \$9,475,258 | 3.1% | 0.3% |
| 08. Outpatient Hospital | \$57,602,636 | \$30,973,049 | \$44,267,996 | \$44,166,407 | \$50,712,351 | \$52,856,683 | \$124,389,898 | 13.7% | 3.4% |
| 09. Clinic Services | \$62,372,094 | \$98,211,281 | \$128,114,224 | \$78,498,228 | \$215,009,548 | \$247,622,034 | \$247,622,034 | 25.8% | 6.8% |
| 10. Lab and X-Ray | \$9,563,557 | \$24,684,849 | \$34,819,967 | \$37,294,304 | \$39,484,863 | \$43,762,928 | \$47,138,268 | 30.5% | 1.3% |
| 11. Home Health | \$22,844,852 | \$1,583,188 | \$29,002,412 | \$66,011,518 | \$34,733,551 | \$35,950,629 | \$34,311,616 | 7.0% | 0.9% |
| 12. Prescribed Drugs | \$236,674,147 | \$281,017,085 | \$331,574,388 | \$390,122,853 | \$454,370,478 | \$537,070,779 | \$593,835,608 | 16.6% | 16.2% |
| 13. Family Planning | \$6,639,031 | \$2,079,960 | \$2,022,347 | \$17,993,448 | \$1,330,732 | \$1,337,296 | \$1,337,296 | -23.4% | 0.0% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$16,178,400 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -100.0% | 0.0% |
| 15. Other Care | \$19,858,177 | \$55,223,818 | \$748,496,244 | \$189,923,782 | \$550,403,857 | \$548,467,488 | \$548,467,488 | 73.9% | 15.0% |
| 16. Personal Care Support Services | \$61,655,392 | \$148,238,658 | \$58,741,458 | \$165,456,106 | \$86,371,460 | \$107,303,975 | \$107,303,975 | 9.7% | 2.9% |
| 17. Home/Community Based Waiver Services | \$117,726,558 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -100.0% | 0.0% |
| 18. Prepaid Health Care | \$178,992 | \$0 | \$0 | \$101,047,469 | \$579,709,608 | \$628,510,702 | \$628,510,702 | 289.9% | 17.2% |
| 19. Primary Care Case Management (PCCM) Services | \$72,939,909 | \$0 | \$10,198,809 | \$11,227,248 | \$21,358,938 | \$22,572,729 | \$28,004,661 | -14.7% | 0.8% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$1,613,410,752 | \$1,695,032,495 | \$2,391,194,897 | \$2,365,105,951 | \$3,204,063,602 | \$3,471,319,724 | \$3,656,032,236 | 14.6% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLC | |
|---|-------------|-------------|-------------|-------------|--------------|--------------|--------------|----------------|-------------|
| | | | | | | | | | Avg. FFY 04 |
| 01. General Hospital | \$6,604.49 | \$6,948.77 | \$2,745.12 | \$6,012.65 | \$2,672.81 | \$2,934.42 | \$2,977.46 | -12.4% | -39.0% |
| 02. Mental Hospital | \$19,921.02 | \$20,262.98 | \$21,754.87 | \$19,847.34 | \$45,509.98 | \$39,573.13 | \$86,025.64 | 27.6% | 389.7% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$21,926.94 | \$22,905.05 | \$24,770.34 | \$23,335.24 | \$25,157.68 | \$26,633.05 | \$28,677.24 | 4.6% | 31.5% |
| 04. Intermediate Care for Mentally Retarded | \$74,218.45 | \$83,837.81 | \$93,432.19 | \$77,356.27 | \$108,211.78 | \$131,241.60 | \$135,454.29 | 10.5% | 62.9% |
| 05. Physician Services | \$294.21 | \$483.66 | \$294.50 | \$306.24 | \$372.67 | \$396.29 | \$340.80 | 2.5% | -35.9% |
| 06. Dental Services | \$141.61 | \$137.15 | \$158.60 | \$280.38 | \$297.52 | \$293.08 | \$322.18 | 14.7% | -2.9% |
| 07. Other Practitioners | \$108.58 | \$70.92 | \$62.58 | \$70.87 | \$87.68 | \$97.65 | \$99.38 | -1.5% | -43.8% |
| 08. Outpatient Hospital | \$260.01 | \$167.88 | \$202.49 | \$179.74 | \$191.90 | \$191.08 | \$340.43 | 4.6% | -42.6% |
| 09. Clinic Services | \$557.87 | \$587.94 | \$764.94 | \$507.06 | \$785.56 | \$921.35 | \$934.35 | 9.0% | 27.5% |
| 10. Lab and X-Ray | \$60.70 | \$89.44 | \$114.69 | \$104.41 | \$114.16 | \$126.62 | \$115.55 | 11.3% | -36.8% |
| 11. Home Health | \$527.88 | \$83.86 | \$567.70 | \$1,094.01 | \$553.34 | \$526.82 | \$510.25 | -0.6% | -75.6% |
| 12. Prescribed Drugs | \$598.74 | \$693.29 | \$756.11 | \$785.28 | \$907.31 | \$1,017.46 | \$1,097.19 | 10.6% | -18.5% |
| 13. Family Planning | \$184.66 | \$519.60 | \$546.14 | \$535.90 | \$391.62 | \$387.73 | \$421.33 | 14.7% | -40.8% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$133.57 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | -100.0% | -100.0% |
| 15. Other Care | \$264.18 | \$809.65 | \$8,428.25 | \$1,281.10 | \$4,565.58 | \$4,488.39 | \$4,565.16 | 60.8% | 127.6% |
| 16. Personal Care Support Services | \$1,183.45 | \$2,605.34 | \$1,567.57 | \$0.00 | \$1,717.19 | \$2,007.93 | \$2,043.96 | 9.5% | 51.8% |
| 17. Home/Community Based Waiver Services | \$28,630.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | -100.0% | -100.0% |
| 18. Prepaid Health Care | \$0.52 | \$0.00 | \$0.00 | \$11,942.95 | \$1,184.42 | \$1,213.43 | \$1,223.94 | 264.8% | 3.1% |
| 19. Primary Care Case Management (PCCM) Services | \$480.15 | \$0.00 | \$24.43 | \$29.55 | \$50.27 | \$51.00 | \$63.27 | -28.7% | 105.4% |
| Total (Average) | \$3,061.05 | \$3,153.67 | \$3,860.00 | \$3,675.22 | \$4,186.52 | \$4,446.89 | \$4,974.84 | 8.4% | 21.8% |

| | | | | | | | | | |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|------|-------|
| TOTAL PER CAPITA EXPENDITURES | \$555.28 | \$582.70 | \$654.36 | \$686.22 | \$719.38 | \$807.73 | \$826.12 | 6.8% | -5.7% |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|------|-------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 231,997 | 233,064 | 264,650 | 207,260 | 274,859 | 271,399 | 253,895 | 1.5% | 34.5% |
| Poverty Related Eligibles | 219,029 | 250,243 | 293,953 | 305,995 | 350,113 | 379,603 | 358,373 | 8.6% | 48.8% |
| Medically Needy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a | 0.0% |
| Other Eligibles | 74,385 | 33,759 | 42,669 | 130,096 | 107,442 | 107,339 | 101,489 | 5.3% | 13.8% |
| Maintenance Assistance Status Unknown | 1,667 | 20,414 | 18,208 | 175 | 32,914 | 22,276 | 21,148 | 52.7% | 2.9% |
| Total* | 527,078 | 537,480 | 619,480 | 643,527 | 765,328 | 780,617 | 734,905 | 5.7% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 210,544 | 204,191 | 223,391 | 249,131 | 233,211 | 236,981 | 220,961 | 0.8% | 30.1% |
| Children | 262,547 | 266,400 | 327,328 | 311,334 | 395,071 | 414,916 | 391,578 | 6.9% | 53.1% |
| Foster Care Children | 4,038 | 4,464 | 4,907 | 5,539 | 6,033 | 6,630 | 6,257 | 7.6% | 0.9% |
| Adults | 48,048 | 42,011 | 45,646 | 74,194 | 98,099 | 99,551 | 94,741 | 12.0% | 12.9% |
| Basis of Eligibility Unknown | 1,901 | 20,414 | 18,208 | 3,330 | 32,914 | 22,539 | 21,368 | 49.7% | 2.9% |
| Total* | 527,078 | 537,480 | 619,480 | 643,527 | 765,328 | 780,617 | 734,905 | 5.7% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 27,969 | 28,339 | 29,543 | 33,127 | 30,004 | 29,739 | 27,630 | -0.2% | 3.8% |
| Age 1 to 5 | 111,576 | 108,191 | 125,191 | 133,269 | 146,445 | 151,364 | 142,206 | 4.1% | 19.4% |
| Age 6 to 14 | 111,380 | 113,778 | 148,493 | 141,225 | 177,466 | 187,773 | 177,387 | 8.1% | 24.1% |
| Age 15 to 20 | 43,098 | 49,311 | 63,554 | 64,755 | 84,025 | 90,309 | 85,647 | 12.1% | 11.7% |
| Age 21 to 44 | 93,433 | 84,243 | 94,033 | 107,748 | 147,684 | 149,496 | 141,511 | 7.2% | 19.1% |
| Age 45 to 64 | 51,573 | 50,836 | 57,128 | 64,131 | 64,979 | 67,585 | 63,381 | 3.5% | 8.6% |
| Age 65 to 74 | 31,817 | 30,524 | 31,389 | 36,547 | 31,148 | 31,372 | 29,097 | -1.5% | 4.0% |
| Age 75 to 84 | 30,248 | 28,539 | 28,897 | 34,301 | 28,788 | 29,293 | 27,168 | -1.8% | 3.7% |
| Age 85 and Over | 25,309 | 23,310 | 23,044 | 28,333 | 21,876 | 21,410 | 19,719 | -4.1% | 2.7% |
| Age Unknown | 675 | 20,409 | 18,208 | 91 | 32,913 | 22,276 | 21,159 | 77.6% | 2.9% |
| Total* | 527,078 | 537,480 | 619,480 | 643,527 | 765,328 | 780,617 | 734,905 | 5.7% | 100.0% |
| By Race | | | | | | | | | |
| White | 238,107 | 242,768 | 276,241 | 295,379 | 323,018 | 338,022 | 352,754 | 6.8% | 48.0% |
| Black | 260,790 | 265,989 | 310,453 | 315,513 | 368,350 | 376,403 | 357,899 | 5.4% | 48.7% |
| Hispanic, American Indian or Asian | 7,042 | 7,311 | 23,554 | 24,056 | 17,650 | 23,449 | 23,517 | 22.3% | 3.2% |
| Other/ Unknown | 21,139 | 21,412 | 9,232 | 8,579 | 56,310 | 42,743 | 735 | -42.9% | 0.1% |
| Total* | 527,078 | 537,480 | 619,480 | 643,527 | 765,328 | 780,617 | 734,905 | 5.7% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 322,644 | 329,021 | 376,105 | 396,843 | 448,541 | 461,312 | 462,990 | 6.2% | 63.0% |
| Male | 196,812 | 200,702 | 235,905 | 238,105 | 278,237 | 290,639 | 264,639 | 5.1% | 36.0% |
| Unknown | 7,622 | 7,757 | 7,475 | 8,579 | 38,550 | 28,666 | 7,276 | -0.8% | 1.0% |
| Total* | 527,078 | 537,480 | 619,480 | 643,527 | 765,328 | 780,617 | 734,905 | 5.7% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$602,257,731 | \$681,925,864 | \$800,200,089 | \$913,449,432 | \$1,109,754,742 | \$1,196,751,593 | \$1,263,221,701 | 13.1% | 34.6% |
| Poverty Related Eligibles | \$178,124,687 | \$210,477,529 | \$234,579,059 | \$402,859,805 | \$473,180,870 | \$552,493,261 | \$578,203,858 | 21.7% | 15.8% |
| Medically Needy | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| Other Eligibles | \$607,215,547 | \$647,149,288 | \$752,471,213 | \$1,007,304,680 | \$937,985,730 | \$1,034,707,799 | \$1,097,199,164 | 10.4% | 30.0% |
| Maintenance Assistance Status Unknown | \$225,812,787 | \$155,479,814 | \$603,944,536 | \$41,492,034 | \$683,142,260 | \$687,367,071 | \$717,407,513 | 21.2% | 19.6% |
| Total* | \$1,613,410,752 | \$1,695,032,495 | \$2,391,194,897 | \$2,365,105,951 | \$3,204,063,602 | \$3,471,319,724 | \$3,656,032,236 | 14.6% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,148,109,264 | \$1,262,935,963 | \$1,435,119,810 | \$1,823,104,915 | \$1,762,787,071 | \$1,934,996,456 | \$2,052,377,529 | 10.2% | 56.1% |
| Children | \$189,774,558 | \$176,260,723 | \$223,369,745 | \$260,456,830 | \$539,771,384 | \$609,105,175 | \$634,151,905 | 22.3% | 17.3% |
| Foster Care Children | \$17,824,964 | \$25,414,538 | \$38,472,637 | \$45,816,824 | \$78,065,858 | \$89,351,325 | \$93,047,375 | 31.7% | 2.5% |
| Adults | \$31,649,422 | \$74,941,457 | \$90,288,169 | \$189,873,245 | \$140,297,029 | \$148,033,794 | \$156,493,443 | 30.5% | 4.3% |
| Basis of Eligibility Unknown | \$226,052,544 | \$155,479,814 | \$603,944,536 | \$45,854,137 | \$683,142,260 | \$689,832,974 | \$719,961,984 | 21.3% | 19.7% |
| Total* | \$1,613,410,752 | \$1,695,032,495 | \$2,391,194,897 | \$2,365,105,951 | \$3,204,063,602 | \$3,471,319,724 | \$3,656,032,236 | 14.6% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$22,820,090 | \$25,820,529 | \$35,202,698 | \$46,950,436 | \$55,911,691 | \$57,256,270 | \$60,313,420 | 17.6% | 1.6% |
| Age 1 to 5 | \$67,146,102 | \$72,348,606 | \$91,556,637 | \$119,608,058 | \$225,403,923 | \$248,343,089 | \$258,673,948 | 25.2% | 7.1% |
| Age 6 to 14 | \$137,866,379 | \$97,475,250 | \$128,556,471 | \$179,079,820 | \$307,256,233 | \$349,204,394 | \$364,234,882 | 17.6% | 10.0% |
| Age 15 to 20 | \$45,768,326 | \$84,727,883 | \$105,362,045 | \$141,251,156 | \$196,167,054 | \$230,057,353 | \$240,124,146 | 31.8% | 6.6% |
| Age 21 to 44 | \$204,968,841 | \$266,968,030 | \$310,309,789 | \$419,311,505 | \$424,945,169 | \$462,331,834 | \$488,507,591 | 15.6% | 13.4% |
| Age 45 to 64 | \$222,425,685 | \$246,120,628 | \$300,175,187 | \$373,617,468 | \$422,966,242 | \$487,529,915 | \$513,254,546 | 15.0% | 14.0% |
| Age 65 to 74 | \$138,305,521 | \$152,031,729 | \$171,973,879 | \$213,088,744 | \$201,910,709 | \$222,770,364 | \$236,555,775 | 9.4% | 6.5% |
| Age 75 to 84 | \$233,796,571 | \$250,228,761 | \$279,197,320 | \$357,021,249 | \$308,300,001 | \$335,938,153 | \$358,049,353 | 7.4% | 9.8% |
| Age 85 and Over | \$315,444,008 | \$343,838,714 | \$364,916,335 | \$473,826,452 | \$378,062,137 | \$390,521,281 | \$418,924,769 | 4.8% | 11.5% |
| Age Unknown | \$224,869,229 | \$155,472,365 | \$603,944,536 | \$41,351,063 | \$683,140,443 | \$687,367,071 | \$717,393,806 | 21.3% | 19.6% |
| Total* | \$1,613,410,752 | \$1,695,032,495 | \$2,391,194,897 | \$2,365,105,951 | \$3,204,063,602 | \$3,471,319,724 | \$3,656,032,236 | 14.6% | 100.0% |
| By Race | | | | | | | | | |
| White | \$827,945,714 | \$872,856,323 | \$1,255,734,290 | \$1,372,062,575 | \$1,823,366,519 | \$1,548,347,097 | \$2,047,378,052 | 16.3% | 56.0% |
| Black | \$438,942,699 | \$464,984,574 | \$684,762,003 | \$818,115,856 | \$1,072,412,710 | \$1,089,129,166 | \$1,425,852,572 | 21.7% | 39.0% |
| Hispanic, American Indian or Asian | \$6,064,149 | \$9,150,399 | \$23,738,219 | \$104,669,801 | \$116,545,062 | \$41,540,134 | \$153,553,354 | 71.4% | 4.2% |
| Other/Unknown | \$340,458,190 | \$348,041,199 | \$426,960,385 | \$70,257,719 | \$191,739,311 | \$792,303,327 | \$29,248,258 | -33.6% | 0.8% |
| Total* | \$1,613,410,752 | \$1,695,032,495 | \$2,391,194,897 | \$2,365,105,951 | \$3,204,063,602 | \$3,471,319,724 | \$3,656,032,236 | 14.6% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$901,546,013 | \$952,779,668 | \$1,387,231,537 | \$1,575,701,343 | \$1,630,176,531 | \$1,783,721,953 | \$2,303,300,309 | 16.9% | 63.0% |
| Male | \$428,860,075 | \$452,000,994 | \$649,581,968 | \$718,582,751 | \$882,544,828 | \$989,511,107 | \$1,316,171,605 | 20.5% | 36.0% |
| Unknown | \$283,004,664 | \$290,251,834 | \$354,381,391 | \$70,821,857 | \$691,342,243 | \$698,086,664 | \$36,560,322 | -28.9% | 1.0% |
| Total* | \$1,613,410,752 | \$1,695,032,495 | \$2,391,194,897 | \$2,365,105,951 | \$3,204,063,602 | \$3,471,319,724 | \$3,656,032,236 | 14.6% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|--------------|-------------|-------------|--------------|-------------|-------------|-------------|---------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$2,595.97 | \$2,925.92 | \$3,023.62 | \$4,407.26 | \$4,037.54 | \$4,409.57 | \$4,975.37 | 11.5% | -19.3% |
| Poverty Related Eligibles | \$813.25 | \$841.09 | \$798.02 | \$1,316.56 | \$1,351.51 | \$1,455.45 | \$1,613.41 | 12.1% | -10.3% |
| Medically Needy | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| Other Eligibles | \$8,163.15 | \$19,169.68 | \$17,635.08 | \$7,742.75 | \$8,730.16 | \$9,639.63 | \$10,811.02 | 4.8% | 50.9% |
| Maintenance Assistance Status Unknown | \$135,460.58 | \$7,616.33 | \$33,169.19 | \$236,601.83 | \$20,755.37 | \$30,856.84 | \$33,923.18 | -20.6% | 1270.0% |
| Total* | \$3,061.05 | \$3,153.67 | \$3,860.00 | \$3,675.22 | \$4,186.52 | \$4,446.89 | \$4,974.84 | 8.4% | 21.8% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$5,453.06 | \$6,185.07 | \$6,424.25 | \$7,317.85 | \$7,558.76 | \$8,165.20 | \$9,288.42 | 9.3% | -15.1% |
| Children | \$722.82 | \$661.64 | \$682.40 | \$836.58 | \$1,366.26 | \$1,468.02 | \$1,619.48 | 14.4% | 12.9% |
| Foster Care Children | \$4,414.31 | \$5,693.22 | \$7,840.36 | \$8,271.93 | \$12,939.81 | \$13,476.82 | \$14,870.92 | 22.4% | 119.7% |
| Adults | \$658.70 | \$1,783.85 | \$1,978.01 | \$2,559.15 | \$1,430.16 | \$1,487.01 | \$1,651.80 | 16.6% | -37.2% |
| Basis of Eligibility Unknown | \$118,912.44 | \$7,616.33 | \$33,169.19 | \$13,770.83 | \$20,755.37 | \$30,606.19 | \$33,693.47 | -19.0% | 1256.1% |
| Total* | \$3,061.05 | \$3,153.67 | \$3,860.00 | \$3,675.22 | \$4,186.52 | \$4,446.89 | \$4,974.84 | 8.4% | 21.8% |
| By Age | | | | | | | | | |
| Under Age 1 | \$815.91 | \$911.13 | \$1,191.57 | \$1,417.28 | \$1,863.47 | \$1,925.29 | \$2,182.90 | 17.8% | -37.7% |
| Age 1 to 5 | \$601.80 | \$668.71 | \$731.34 | \$897.49 | \$1,539.17 | \$1,640.70 | \$1,819.01 | 20.2% | 4.0% |
| Age 6 to 14 | \$1,237.80 | \$856.71 | \$865.74 | \$1,268.05 | \$1,731.35 | \$1,859.72 | \$2,053.33 | 8.8% | 24.4% |
| Age 15 to 20 | \$1,061.96 | \$1,718.23 | \$1,657.83 | \$2,181.32 | \$2,334.63 | \$2,547.45 | \$2,803.65 | 17.6% | 8.4% |
| Age 21 to 44 | \$2,193.75 | \$3,169.02 | \$3,300.01 | \$3,891.58 | \$2,877.39 | \$3,092.60 | \$3,452.08 | 7.8% | -30.2% |
| Age 45 to 64 | \$4,312.83 | \$4,841.46 | \$5,254.43 | \$5,825.86 | \$6,509.28 | \$7,213.58 | \$8,097.92 | 11.1% | -14.4% |
| Age 65 to 74 | \$4,346.91 | \$4,980.73 | \$5,478.79 | \$5,830.48 | \$6,482.30 | \$7,100.93 | \$8,129.90 | 11.0% | 6.1% |
| Age 75 to 84 | \$7,729.32 | \$8,767.96 | \$9,661.81 | \$10,408.44 | \$10,709.32 | \$11,468.21 | \$13,179.08 | 9.3% | 19.0% |
| Age 85 and Over | \$12,463.71 | \$14,750.70 | \$15,835.63 | \$16,723.41 | \$17,282.05 | \$18,240.13 | \$21,244.73 | 9.3% | 27.0% |
| Age Unknown | \$333,139.60 | \$7,617.83 | \$33,169.19 | \$456,159.80 | \$20,755.95 | \$30,856.84 | \$33,904.90 | -31.7% | 1159.7% |
| Total* | \$3,061.05 | \$3,153.67 | \$3,860.00 | \$3,675.22 | \$4,186.52 | \$4,446.89 | \$4,974.84 | 8.4% | 21.8% |
| By Race | | | | | | | | | |
| White | \$3,477.20 | \$3,595.43 | \$4,545.79 | \$4,645.09 | \$5,644.78 | \$4,580.61 | \$5,803.98 | 8.9% | 14.6% |
| Black | \$1,683.13 | \$1,748.13 | \$2,205.69 | \$2,592.97 | \$2,911.40 | \$2,893.52 | \$3,983.95 | 15.4% | 17.7% |
| Hispanic, American Indian or Asian | \$861.14 | \$1,251.59 | \$1,007.82 | \$4,351.07 | \$6,603.12 | \$1,771.51 | \$6,529.46 | 40.2% | 146.9% |
| Other/ Unknown | \$16,105.69 | \$16,254.49 | \$46,247.88 | \$8,189.50 | \$3,405.07 | \$18,536.45 | \$39,793.55 | 16.3% | 793.7% |
| Total* | \$3,061.05 | \$3,153.67 | \$3,860.00 | \$3,675.22 | \$4,186.52 | \$4,446.89 | \$4,974.84 | 8.4% | 21.8% |
| By Sex | | | | | | | | | |
| Female | \$2,794.24 | \$2,895.80 | \$3,688.42 | \$3,970.59 | \$3,634.40 | \$3,866.63 | \$4,974.84 | 10.1% | 17.9% |
| Male | \$2,179.03 | \$2,252.10 | \$2,753.63 | \$3,017.92 | \$3,171.92 | \$3,404.61 | \$4,973.46 | 14.7% | 22.2% |
| Unknown | \$37,129.97 | \$37,418.05 | \$47,408.88 | \$8,255.26 | \$17,933.65 | \$24,352.43 | \$5,024.78 | -28.3% | 89.4% |
| Total* | \$3,061.05 | \$3,153.67 | \$3,860.00 | \$3,675.22 | \$4,186.52 | \$4,446.89 | \$4,974.84 | 8.4% | 21.8% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; "State Health Facts", The Henry Kaiser Foundation, January 2005; and state annual report for FY 04.

Waivers

A Freedom of Choice Waiver, approved under Title XIX, Section 1915 (b) of the Social Security Act, operating since October 1, 1988, established a coordinated system of pregnancy-related services in 66 of 67 counties. This program is no longer a waiver and has been added to the Medicaid State plan for FY 04.

Several Home and Community Based Service Waivers, under Section 1915 (c), enable the state to provide long-term care services to people who otherwise would require institutionalization. These waivers include:

- Mental Retardation/Developmental Disabilities: Serves 5,366 people, operating since October 1, 1980.
- Aged and Disabled: Serves 7,565 people, operating since October 1, 1984.
- Physical Disabilities (Homebound/SAIL): Serves 552 people, operating since April 1, 1992.
- Living at Home Waiver (LAH): Serves 96 people, operating since January 1, 2003.

Primary Care Case Management Waiver (Patient 1st), Section 1915 (b) was implemented in January of 1997 in all of the 67 counties. The program will pay physicians \$3 per member per month up to a maximum of 1,000 eligibles per physician. This waiver was renewed in August 2004, and serves approximately 420,000 recipients statewide.

Managed Care

- Any Willing Provider Clause: For pharmacies only. HMO's with pharmacies located on-site are exempt. Independent pharmacies are reimbursed at the same rate as contract providers as long as they meet the requirements and standards for participation.
- The state contracts with 8 regional Prepaid Health Plans (PHP) to provide inpatient hospital services to all eligibles except Medicare Part A only recipients. The PHPs receive a per member per month capitated rate for each eligible in their region.

Coverage for Targeted Population

- The Uninsured: The State pays disproportionate share payments to the Prepaid Health Plan for payments to member hospitals that provide indigent care.

Cost Containment Measures

- Certificate of Need Program since 1978. Regulates introduction or expansion of new institutional health facilities and services. 1993 exemption from certificate of need review for health care services of rural hospitals.
- Significant increase in the thresholds for state review of expenditures for capital and operating costs for existing HMO's and facilities in 1994.
- Revised CON laws in 1998 to extend the review period of projects and made changes to appeal procedures related to CON decisions.
- Rate setting. Prospective payment/per diem methodology used for Medicaid.
- Pharmacy Benefit Manager program implemented in 1998 to control increasing costs in the pharmacy program.
- Implemented prescription limits on name brand drugs to 4 per month per recipient, except anti-psychotic and retroviral medications, effective July 1, 2004.

Medicaid

- 15 optional services are offered.
- In 1998, Alabama implemented a program to pay for non-emergency transportation (due to judicial intervention); payments are made through a voucher system.
- Enacted legislation in 2000 that requires Medicaid to provide coverage for breast reconstructive surgery following a medically necessary mastectomy.

SOUTHERN REGION MEDICAID PROFILE

Medicaid (Continued)

- Enacted legislation in 2001 that requires Medicaid to provide coverage to women that have been screened and diagnosed with breast or cervical cancer (Federally mandated by the Breast and Cervical Cancer Prevention and Treatment Act of 2000).
- For FY 04, proposed changes in the Medicaid Program due to budget cuts as follows:
 - Reduce inpatient hospital days and physician visit during hospital stays from 16 to 14 per year;
 - Eliminate non-emergency care in an outpatient hospital (currently pays for 3 visits);
 - Eliminate routine eye-care for adults;
 - Eliminate hospice services except for Medicare eligible nursing home residents; and
 - Reduce reimbursement rates for physicians and dentists by 2%.

Children's Health Insurance Program: A Combination of Private Insurance and a Medicaid Expansion

- CHIP in Alabama is administered by the Alabama Department of Public Health. Phase I, approved by HCFA on January 30, 1998, is an expansion of Medicaid to cover children/adolescents through age 18 in families with incomes up to 100% of the FPL. The state had enrolled 20,000 new eligibles by September of 2000.
- Phase II (AL-Kids), approved by HCFA on August 18, 1998, is a separate state children's health insurance plan to cover children/adolescents up to age 19 in families with incomes up to 200% of the FPL. The program had a total enrollment of 60,655 children as of September of 2004.
- AL-Kids Plus, approved on September 28, 1999, provides a supplementary set of services for children with special health care needs.
- AL-Kids Plus received CMS approval of a fifth plan amendment on October 30, 2003 that modified some eligibility and cost sharing criteria.
- Families with incomes up to 150% of the FPL are required to pay an annual premium of \$50 per child, with a \$150 maximum per family.
- Families with incomes above 150% of the FPL are required to pay an annual premium of \$100 per child, with a maximum of \$300.
- Families are given the option of paying premiums on an annual or monthly basis.
- There are no cost sharing requirements for American Indians or Alaskan Natives.
- Other cost sharing provisions for individuals in families with income less than 150% of the FPL include:
 - \$1 co-payment for generic prescriptive drugs;
 - \$3 co-payment for brand name prescriptive drugs, dental visits, doctor visits, and allergy treatments;
 - \$5 co-payment for non-preferred prescription drugs, inpatient hospital care, allergy testing, emergency services, ambulance service, inpatient mental and chemical dependency care, and outpatient surgical services; and
 - \$10 for emergency visits that are non-emergency.
- The copays for individuals in families with income above 150% of the FPL are double the amounts paid by the below 150% group except for dental visits, doctor visits, and prescription drugs, which increase from \$3 to \$5.

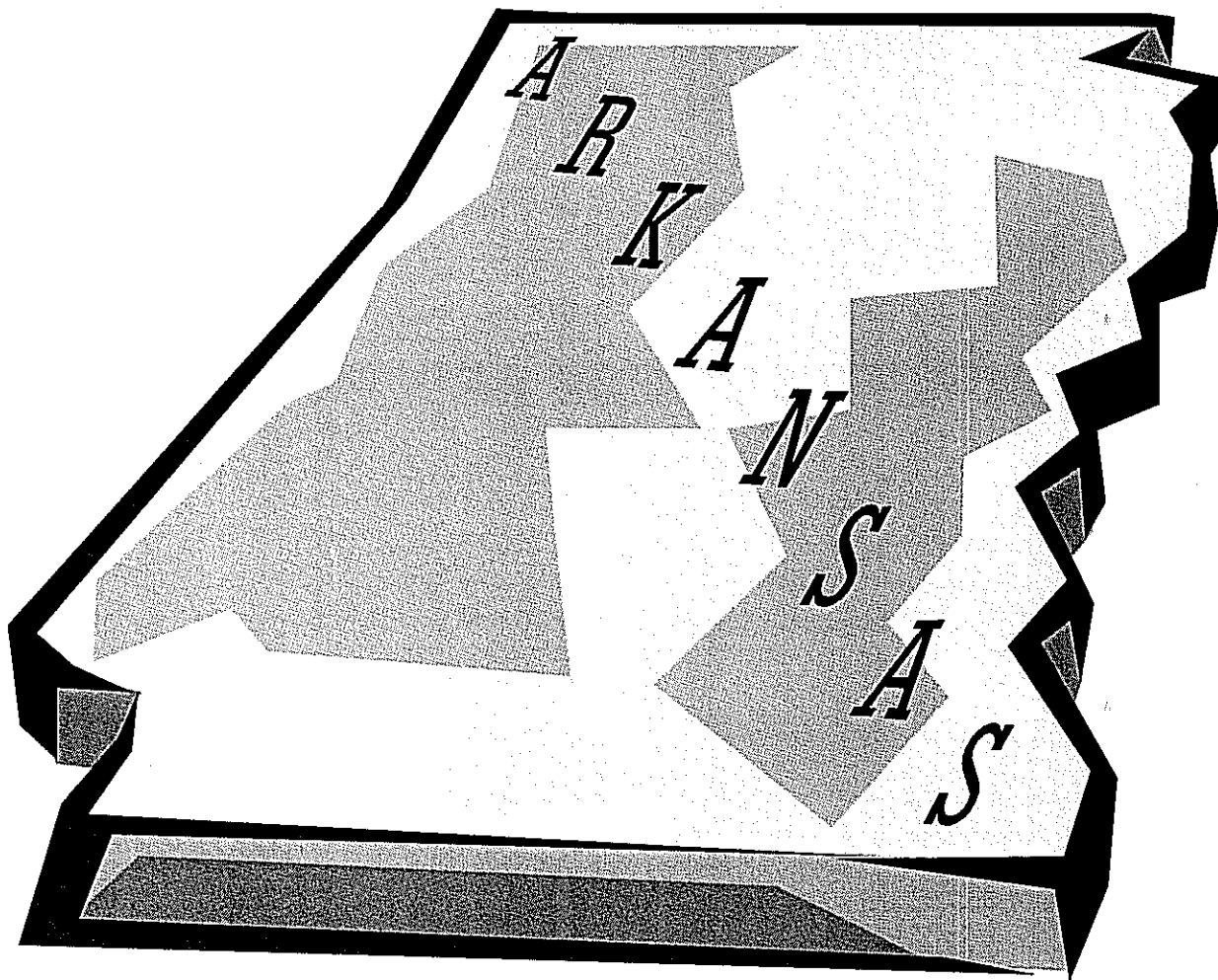
SOUTHERN REGION MEDICAID PROFILE

Tobacco Settlement

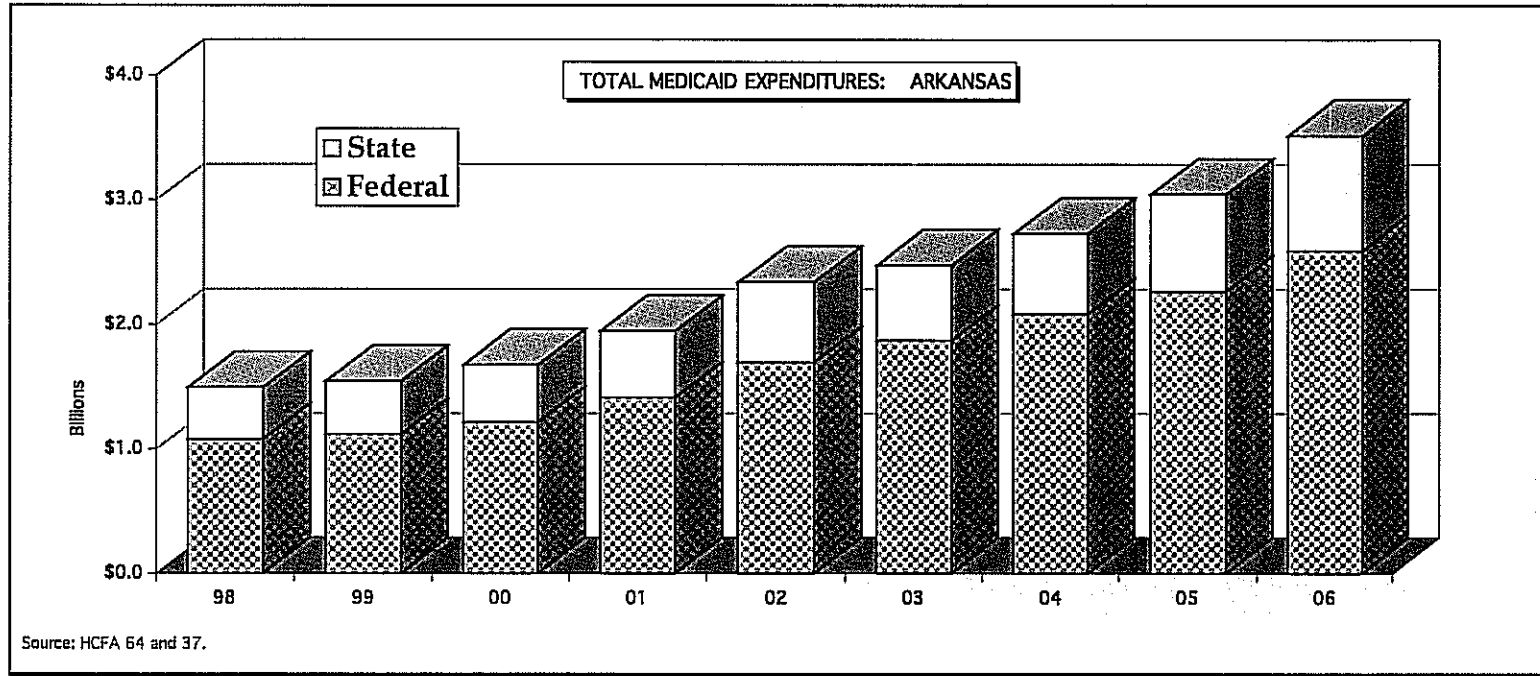
- The state expects to receive approximately \$3.17 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$566.8 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | AL | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$2,862,000 | 0.5% | \$1,813,423,000 | 4.6% |
| Health services | \$328,060,000 | 57.9% | \$11,824,057,000 | 29.9% |
| Long-term care | \$21,239,000 | 3.7% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |
| Education | \$62,434,000 | 11.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$79,261,000 | 14.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$500,000 | 0.1% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$0 | 0.0% | \$7,636,209,000 | 19.3% |
| Other | \$72,400,000 | 12.8% | \$10,048,868,000 | 25.4% |
| Total | \$566,756,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS and the state for federal fiscal years 99 through 04.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$1,407,017,402 | \$1,460,724,048 | \$1,581,361,881 | \$1,854,913,659 | \$2,239,645,980 | \$2,366,496,902 | \$2,616,597,268 | \$2,928,979,861 | \$3,387,291,000 | 11.6% | 140.7% |
| Federal Share | \$1,025,895,613 | \$1,066,890,276 | \$1,156,198,568 | \$1,356,367,805 | \$1,631,630,198 | \$1,799,239,993 | \$2,017,735,788 | \$2,194,966,729 | \$2,508,819,000 | 11.8% | 144.5% |
| State Share | \$381,121,789 | \$393,833,772 | \$425,163,313 | \$498,545,854 | \$608,015,782 | \$567,256,909 | \$598,861,480 | \$734,013,132 | \$878,472,000 | 11.0% | 130.5% |
| Administrative Costs | \$86,229,103 | \$84,855,266 | \$94,524,637 | \$95,198,228 | \$103,472,005 | \$111,158,811 | \$113,974,604 | \$119,248,164 | \$132,437,000 | 5.5% | 53.6% |
| Federal Share | \$51,779,665 | \$49,839,110 | \$56,421,645 | \$56,886,002 | \$63,699,995 | \$73,460,178 | \$70,832,049 | \$73,247,062 | \$82,441,000 | 6.0% | 59.2% |
| State Share | \$34,449,438 | \$35,016,156 | \$38,102,992 | \$38,312,226 | \$39,772,010 | \$37,698,633 | \$43,142,555 | \$46,001,102 | \$49,996,000 | 4.8% | 45.1% |
| Admin. Costs as % of Payments | 6.13% | 5.81% | 5.98% | 5.13% | 4.62% | 4.70% | 4.36% | 4.07% | 3.91% | | |
| Federal Match Rate* | 73.29% | 72.84% | 72.85% | 73.02% | 72.64% | 74.28% | 74.67% | 74.75% | 73.77% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|---------------|---------------|----------------|--------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$381,121,789 | \$454,048,687 | \$34,449,438 | \$43,142,555 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$44,843,831 | \$0 | \$0 |
| Donations* | \$0 | \$690,750 | \$0 | \$0 |
| Other | \$0 | \$99,278,212 | \$0 | \$0 |
| Total State Share | \$381,121,789 | \$598,861,480 | \$34,449,438 | \$43,142,555 |

*Permissible donations from the Campaign for Healthier Babies and Outstationed Eligibility Workers Programs.

Provider Taxes Currently in Place (FFY 04)

| Tax Rate | Amount |
|--|-----------------------|
| Quality Assurance Fee on Nursing Homes | \$44,843,831 |
| 10/01/03 - 06/30/04 | \$7.13 per census day |
| 07/01/04 - 09/30/04 | \$7.78 per census day |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05 | FFY 06** | Annual Change |
|-------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| General Hospitals | \$1,189,520 | \$2,992,782 | \$2,256,113 | \$21,865,252 | \$14,529,026 | \$30,948,639 | \$24,135,625 | \$36,904,368 | \$36,791,615 | 59.2% |
| Mental Hospitals | \$466,593 | \$259,500 | \$489,254 | \$862,932 | \$0 | \$638,035 | \$800,733 | \$775,354 | \$819,000 | 9.0% |
| Total | \$1,656,113 | \$3,252,282 | \$2,745,367 | \$22,728,184 | \$14,529,026 | \$31,586,674 | \$24,936,358 | \$37,679,722 | \$37,610,615 | 54.7% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Income Eligibility Standard | \$223 | 17.1% |
| Payment Standard | \$204 | 15.6% |
| Maximum Payment | \$204 | 15.6% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | \$275 | |
| Resource Standard | \$3,100 | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and infants | | 133.0% |
| Children 1 to 5 | | 133.0% |
| Children 6 to 18 | | 100.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

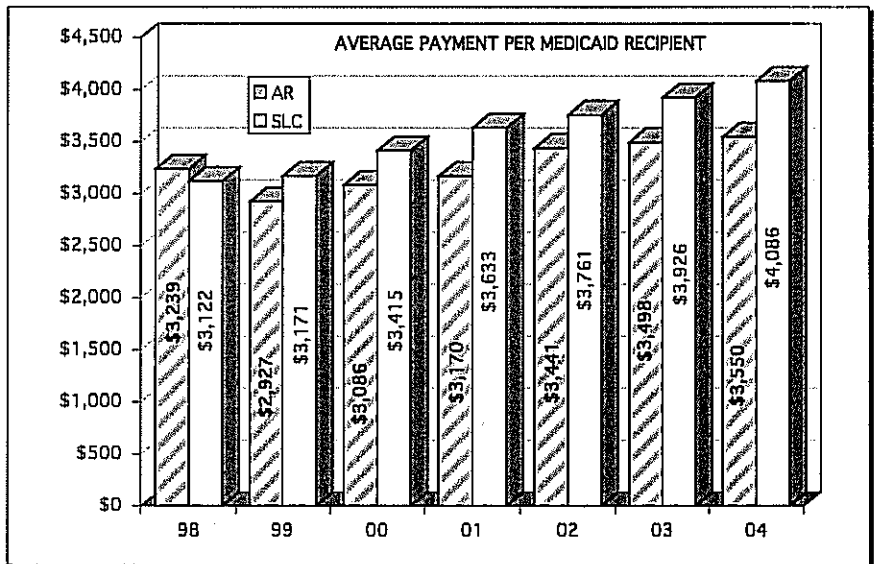
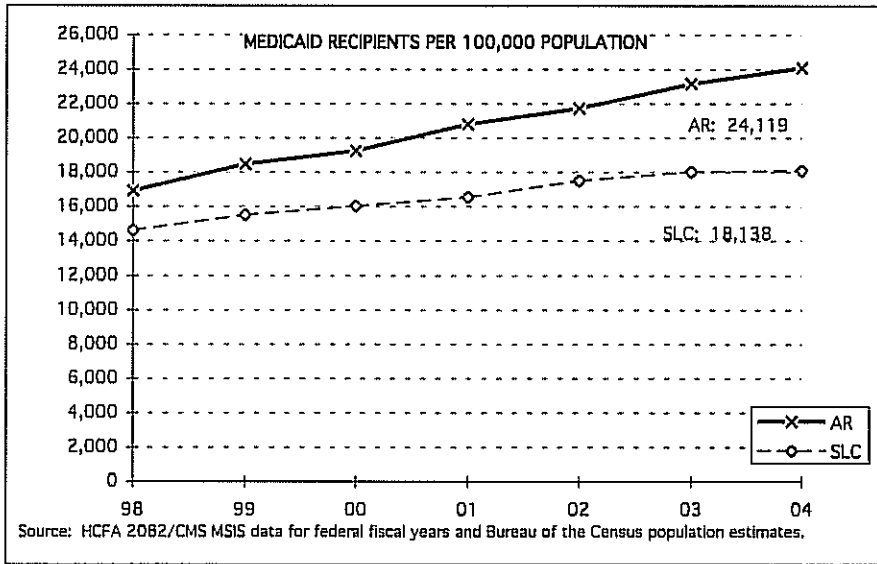
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | Rank in U.S. |
|---|--------------|
| State population—July 1, 2004* | 32 |
| Per capita personal income** | 49 |
| Median household income** | 49 |
| Population below Federal Poverty Level on July 1, 2003* | |
| Percent of total state population | 18.5% |
| Population without health insurance coverage* | 29 |
| Percent of total state population | 12 |
| Recipients of Food Stamps*** | 25 |
| Households receiving Food Stamps*** | 26 |
| Total value of issuance*** | 25 |
| Average monthly benefit per recipient | 26 |
| Average monthly benefit per household | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 38 |
| Total TANF payments**** | 38 |
| Average monthly payment per recipient | 38 |
| Maximum monthly payment per family of 3 | 44 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|
| 01. General Hospital | 72,883 | 73,746 | 72,791 | 80,140 | 84,745 | 107,024 | 93,308 | 4.2% |
| 02. Mental Hospital | 3,146 | 3,376 | 2,912 | 4,023 | 5,512 | 5,218 | 5,296 | 9.1% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 21,486 | 20,699 | 20,350 | 19,880 | 20,658 | 20,449 | 19,720 | -1.4% |
| 04. Intermediate Care for Mentally Retarded | 1,867 | 1,838 | 1,842 | 1,822 | 1,809 | 1,818 | 1,766 | -0.9% |
| 05. Physician Services | 271,538 | 327,769 | 339,780 | 372,042 | 411,601 | 444,459 | 463,676 | 9.3% |
| 06. Dental Services | 37,433 | 62,755 | 67,765 | 79,539 | 96,539 | 111,534 | 118,759 | 21.2% |
| 07. Other Practitioners | 77,588 | 104,736 | 108,683 | 118,473 | 129,792 | 109,713 | 117,404 | 7.1% |
| 08. Outpatient Hospital | 160,321 | 174,952 | 179,151 | 202,000 | 225,992 | 248,633 | 264,951 | 8.7% |
| 09. Clinic Services | 80,534 | 138,491 | 147,131 | 179,341 | 186,387 | 224,628 | 231,553 | 19.2% |
| 10. Lab and X-Ray | 120,126 | 136,100 | 135,454 | 142,421 | 164,723 | 173,329 | 184,294 | 7.4% |
| 11. Home Health | 9,966 | 9,859 | 8,753 | 8,285 | 7,867 | 8,197 | 6,529 | -6.8% |
| 12. Prescribed Drugs | 262,907 | 280,573 | 290,749 | 321,920 | 356,060 | 398,819 | 414,659 | 7.9% |
| 13. Family Planning | 50,089 | 3,533 | 2,878 | 3,601 | 23,128 | 25,252 | 25,997 | -10.4% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 100,589 | 0 | 0 | 0 | 110,187 | 120,257 | 119,667 | 2.9% |
| 15. Other Care | 100,502 | 102,624 | 52,087 | 126,370 | 166,386 | 100,063 | 98,507 | -0.3% |
| 16. Personal Care Support Services | 30,524 | 56,359 | 40,452 | 55,980 | 45,847 | 39,184 | 30,449 | 0.0% |
| 17. Home/Community Based Waiver Services | 9,369 | 0 | 0 | 0 | 0 | 30 | 74 | -53.4% |
| 18. Prepaid Health Care | 244,768 | 0 | 0 | 0 | 425,805 | 470,687 | 516,736 | 13.3% |
| 19. Primary Care Case Management (PCCM) Services | 243,266 | 383,649 | 404,371 | 431,579 | 363,993 | 395,297 | 416,456 | 9.4% |
| Total* | 424,727 | 466,417 | 489,325 | 531,533 | 581,606 | 624,722 | 663,920 | 7.7% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual</u> <u>Change</u> | <u>Share of Total</u> <u>FFY 04</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------|--|
| 01. General Hospital | \$178,532,888 | \$166,239,639 | \$181,602,682 | \$199,917,194 | \$233,756,777 | \$261,162,545 | \$285,837,429 | 8.2% | 12.1% |
| 02. Mental Hospital | \$54,470,602 | \$51,912,145 | \$41,875,551 | \$68,810,890 | \$87,944,979 | \$108,649,942 | \$115,161,261 | 13.3% | 4.9% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$300,012,732 | \$229,645,982 | \$285,612,665 | \$284,583,476 | \$411,569,354 | \$444,032,516 | \$470,769,228 | 7.8% | 20.0% |
| 04. Intermediate Care for Mentally Retarded | \$108,852,817 | \$69,290,340 | \$87,918,928 | \$104,142,616 | \$120,065,393 | \$120,704,986 | \$131,023,415 | 3.1% | 5.6% |
| 05. Physician Services | \$120,802,774 | \$138,220,547 | \$154,582,481 | \$166,095,692 | \$174,852,040 | \$190,780,552 | \$201,536,879 | 8.9% | 8.6% |
| 06. Dental Services | \$7,789,946 | \$14,817,664 | \$16,275,309 | \$19,766,101 | \$24,351,586 | \$28,718,488 | \$31,130,043 | 26.0% | 1.3% |
| 07. Other Practitioners | \$7,022,549 | \$11,986,729 | \$12,578,431 | \$14,064,856 | \$15,259,350 | \$9,654,297 | \$10,519,139 | 7.0% | 0.4% |
| 08. Outpatient Hospital | \$37,099,507 | \$44,535,556 | \$47,716,392 | \$52,493,897 | \$61,635,174 | \$72,738,613 | \$76,684,252 | 12.9% | 3.3% |
| 09. Clinic Services | \$128,802,658 | \$179,272,026 | \$166,264,401 | \$207,728,405 | \$240,911,804 | \$270,590,082 | \$288,636,475 | 14.4% | 12.2% |
| 10. Lab and X-Ray | \$11,348,972 | \$12,092,233 | \$12,605,188 | \$14,202,822 | \$17,313,698 | \$19,434,043 | \$20,712,729 | 10.5% | 0.9% |
| 11. Home Health | \$13,985,570 | \$14,456,325 | \$11,880,729 | \$10,737,036 | \$10,471,199 | \$9,892,116 | \$11,603,675 | -3.1% | 0.5% |
| 12. Prescribed Drugs | \$150,891,615 | \$182,862,001 | \$209,933,612 | \$248,392,084 | \$279,879,349 | \$325,295,608 | \$376,684,485 | 16.5% | 16.0% |
| 13. Family Planning | \$8,389,414 | \$1,731,320 | \$1,323,208 | \$1,777,398 | \$3,948,344 | \$4,123,990 | \$4,229,351 | -10.8% | 0.2% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$55,748,372 | \$0 | \$0 | \$0 | \$61,468,942 | \$63,881,633 | \$59,859,955 | 1.2% | 2.5% |
| 15. Other Care | \$54,129,482 | \$105,770,596 | \$119,530,281 | \$139,064,573 | \$144,670,913 | \$152,482,911 | \$169,029,454 | 20.9% | 7.2% |
| 16. Personal Care Support Services | \$84,465,101 | \$125,829,735 | \$124,680,340 | \$132,113,753 | \$92,160,438 | \$62,941,155 | \$59,109,583 | -5.8% | 2.5% |
| 17. Home/Community Based Waiver Services | \$43,604,265 | \$0 | \$0 | \$0 | \$0 | \$139,569 | \$619,683 | -50.8% | 0.0% |
| 18. Prepaid Health Care | \$4,359,975 | \$0 | \$0 | \$0 | \$11,479,717 | \$29,471,575 | \$31,915,027 | 39.3% | 1.4% |
| 19. Primary Care Case Management (PCCM) Services | \$5,488,182 | \$16,760,279 | \$35,699,644 | \$20,826,973 | \$9,545,124 | \$10,779,126 | \$11,563,428 | 13.2% | 0.5% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$1,375,797,421 | \$1,365,423,117 | \$1,510,079,842 | \$1,684,717,766 | \$2,001,284,181 | \$2,185,473,747 | \$2,356,625,491 | 9.4% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) %LC Avg. FFY 04 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------------|
| 01. General Hospital | \$2,449.58 | \$2,254.22 | \$2,494.85 | \$2,494.60 | \$2,758.35 | \$2,440.22 | \$3,063.38 | 3.8% |
| 02. Mental Hospital | \$17,314.24 | \$15,376.82 | \$14,380.34 | \$17,104.37 | \$15,955.18 | \$20,822.14 | \$21,744.95 | 3.9% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$13,963.17 | \$11,094.54 | \$14,035.02 | \$14,315.06 | \$19,923.00 | \$21,714.14 | \$23,872.68 | 9.4% |
| 04. Intermediate Care for Mentally Retarded | \$58,303.60 | \$37,698.77 | \$47,730.15 | \$57,158.41 | \$66,371.14 | \$66,394.38 | \$74,192.19 | 4.1% |
| 05. Physician Services | \$444.88 | \$421.70 | \$454.95 | \$446.44 | \$424.81 | \$429.24 | \$434.65 | -0.4% |
| 06. Dental Services | \$208.10 | \$236.12 | \$240.17 | \$248.51 | \$252.25 | \$257.49 | \$262.13 | 3.9% |
| 07. Other Practitioners | \$90.51 | \$114.45 | \$115.74 | \$118.72 | \$117.57 | \$88.00 | \$89.60 | -0.2% |
| 08. Outpatient Hospital | \$231.41 | \$254.56 | \$266.35 | \$259.87 | \$272.73 | \$292.55 | \$289.43 | 3.8% |
| 09. Clinic Services | \$1,599.36 | \$1,294.47 | \$1,130.04 | \$1,158.29 | \$1,292.54 | \$1,204.61 | \$1,246.52 | -4.1% |
| 10. Lab and X-Ray | \$94.48 | \$88.85 | \$93.06 | \$99.72 | \$105.11 | \$112.12 | \$112.39 | 2.9% |
| 11. Home Health | \$1,403.33 | \$1,466.31 | \$1,357.33 | \$1,295.96 | \$1,331.03 | \$1,206.80 | \$1,777.25 | 4.0% |
| 12. Prescribed Drugs | \$573.94 | \$651.74 | \$722.04 | \$771.60 | \$786.05 | \$815.65 | \$908.42 | 8.0% |
| 13. Family Planning | \$167.49 | \$490.04 | \$459.77 | \$493.58 | \$170.72 | \$163.31 | \$162.69 | -0.5% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$554.22 | \$0.00 | \$0.00 | \$0.00 | \$557.86 | \$531.21 | \$500.22 | -1.7% |
| 15. Other Care | \$538.59 | \$1,030.66 | \$2,294.82 | \$1,100.46 | \$869.49 | \$1,523.87 | \$1,715.91 | 21.3% |
| 16. Personal Care Support Services | \$2,767.17 | \$2,232.65 | \$3,082.18 | \$2,360.02 | \$2,010.17 | \$1,606.30 | \$1,941.27 | -5.7% |
| 17. Home/Community Based Waiver Services | \$4,654.10 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$4,652.30 | \$8,374.09 | 10.3% |
| 18. Prepaid Health Care | \$17.81 | \$0.00 | \$0.00 | \$0.00 | \$26.96 | \$62.61 | \$61.76 | 23.0% |
| 19. Primary Care Case Management (PCCM) Services | \$22.56 | \$43.69 | \$88.28 | \$48.26 | \$26.22 | \$27.27 | \$27.77 | 3.5% |
| Total (Average) | \$3,239.25 | \$2,927.47 | \$3,086.05 | \$3,169.55 | \$3,440.96 | \$3,498.31 | \$3,549.56 | 1.5% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|--------------|
| TOTAL PER CAPITA EXPENDITURES | \$595.80 | \$612.55 | \$660.24 | \$764.34 | \$876.46 | \$920.35 | \$991.99 | 8.9% | 13.2% |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|--------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 were provided by the state.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 157,450 | 147,556 | 148,933 | 142,944 | 160,829 | 160,471 | 160,677 | 0.3% | 24.2% |
| Poverty Related Eligibles | 162,638 | 126,943 | 238,416 | 172,911 | 235,568 | 273,833 | 300,943 | 10.8% | 45.3% |
| Medically Needy | 33,542 | 29,024 | 25,630 | 20,411 | 14,797 | 15,220 | 18,348 | -9.6% | 2.8% |
| Other Eligibles | 63,045 | 136,497 | 51,106 | 164,117 | 59,041 | 59,384 | 58,971 | -1.1% | 8.9% |
| Maintenance Assistance Status Unknown | 8,052 | 26,397 | 25,240 | 31,150 | 111,371 | 115,814 | 124,981 | 57.9% | 18.8% |
| Total | 424,727 | 466,417 | 489,325 | 531,533 | 581,606 | 624,722 | 663,920 | 7.7% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 147,253 | 146,855 | 146,401 | 146,337 | 157,912 | 163,416 | 168,201 | 2.2% | 25.3% |
| Children | 179,405 | 202,434 | 223,522 | 256,837 | 258,698 | 364,287 | 392,016 | 13.9% | 59.0% |
| Foster Care Children | 4,994 | 4,850 | 5,427 | 5,735 | 6,936 | 6,871 | 6,933 | 5.6% | 1.0% |
| Adults | 85,023 | 85,881 | 88,735 | 91,474 | 46,686 | 90,147 | 96,394 | 2.1% | 14.5% |
| Basis of Eligibility Unknown | 8,052 | 26,397 | 25,240 | 31,150 | 111,374 | 1 | 376 | -40.0% | 0.1% |
| Total | 424,727 | 466,417 | 489,325 | 531,533 | 581,606 | 624,722 | 663,920 | 7.7% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 16,248 | 16,275 | 16,635 | 18,151 | 19,999 | 20,207 | 21,920 | 5.1% | 3.3% |
| Age 1 to 5 | 77,228 | 78,069 | 83,088 | 93,749 | 111,186 | 120,663 | 127,401 | 8.7% | 19.2% |
| Age 6 to 14 | 93,906 | 102,944 | 112,727 | 128,330 | 153,335 | 166,284 | 178,746 | 11.3% | 26.9% |
| Age 15 to 20 | 48,658 | 56,483 | 61,727 | 67,906 | 81,206 | 88,270 | 95,980 | 12.0% | 14.5% |
| Age 21 to 44 | 88,600 | 91,536 | 94,261 | 96,354 | 110,957 | 119,929 | 126,797 | 6.2% | 19.1% |
| Age 45 to 64 | 34,820 | 35,054 | 36,216 | 37,688 | 43,325 | 46,860 | 50,782 | 6.5% | 7.6% |
| Age 65 to 74 | 21,708 | 20,660 | 20,740 | 20,247 | 20,789 | 21,586 | 22,009 | 0.2% | 3.3% |
| Age 75 to 84 | 22,996 | 21,506 | 21,383 | 21,140 | 22,178 | 22,213 | 21,965 | -0.8% | 3.3% |
| Age 85 and Over | 19,644 | 17,505 | 17,320 | 16,830 | 18,631 | 18,710 | 18,320 | -1.2% | 2.8% |
| Age Unknown | 919 | 26,385 | 25,228 | 31,138 | 0 | 0 | 0 | -100.0% | 0.0% |
| Total | 424,727 | 466,417 | 489,325 | 531,533 | 581,606 | 624,722 | 663,920 | 7.7% | 100.0% |
| By Race | | | | | | | | | |
| White | 257,363 | 282,561 | 296,433 | 321,928 | 353,884 | 380,040 | 405,308 | 7.9% | 61.0% |
| Black | 141,972 | 155,852 | 162,127 | 176,206 | 184,594 | 193,487 | 200,707 | 5.9% | 30.2% |
| Hispanic, American Indian or Asian | 7,145 | 7,959 | 10,663 | 11,471 | 20,720 | 26,817 | 32,170 | 28.5% | 4.8% |
| Other/Unknown | 18,247 | 20,045 | 20,102 | 21,928 | 22,408 | 24,378 | 25,735 | 5.9% | 3.9% |
| Total* | 424,727 | 466,417 | 489,325 | 531,533 | 581,606 | 624,722 | 663,920 | 7.7% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 266,608 | 292,521 | 304,454 | 330,687 | 352,282 | 377,510 | 397,631 | 6.9% | 59.9% |
| Male | 157,095 | 172,793 | 184,750 | 200,629 | 229,090 | 246,341 | 264,514 | 9.1% | 39.8% |
| Unknown | 1,024 | 1,103 | 122 | 217 | 234 | 871 | 1,775 | 9.6% | 0.3% |
| Total | 424,727 | 466,417 | 489,325 | 531,533 | 581,606 | 624,722 | 663,920 | 7.7% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 were provided by the state.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$713,252,376 | \$632,206,794 | \$666,324,196 | \$730,986,625 | \$821,092,916 | \$869,100,814 | \$925,148,562 | 4.4% | 39.3% |
| Poverty Related Eligibles | \$223,104,306 | \$174,523,368 | \$253,301,116 | \$242,847,484 | \$346,533,100 | \$417,780,177 | \$472,207,626 | 13.3% | 20.0% |
| Medically Needy | \$79,146,711 | \$58,773,338 | \$57,701,019 | \$55,578,469 | \$46,371,147 | \$51,864,561 | \$53,894,358 | -6.2% | 2.3% |
| Other Eligibles | \$596,207,736 | \$482,629,237 | \$518,240,326 | \$635,740,058 | \$715,255,691 | \$762,112,544 | \$809,707,913 | 5.2% | 34.4% |
| Maintenance Assistance Status Unknown | (\$235,913,708) | \$17,290,380 | \$14,513,185 | \$19,565,130 | \$72,031,327 | \$84,615,651 | \$95,667,032 | n/a | 4.1% |
| Total | \$1,375,797,421 | \$1,365,423,117 | \$1,510,079,842 | \$1,684,717,766 | \$2,001,284,181 | \$2,185,473,747 | \$2,356,625,491 | 9.4% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,221,201,053 | \$987,423,406 | \$1,107,973,513 | \$1,206,890,177 | \$1,425,140,063 | \$1,531,657,304 | \$1,646,769,100 | 5.1% | 69.9% |
| Children | \$262,322,716 | \$241,812,906 | \$262,785,694 | \$314,570,015 | \$376,832,033 | \$497,294,044 | \$546,221,359 | 13.0% | 23.2% |
| Foster Care Children | \$28,862,820 | \$30,104,004 | \$29,752,919 | \$38,663,242 | \$45,564,122 | \$43,756,351 | \$43,818,949 | 7.2% | 1.9% |
| Adults | \$99,324,540 | \$88,792,421 | \$95,054,531 | \$105,029,202 | \$81,710,777 | \$112,763,334 | \$119,769,987 | 3.2% | 5.1% |
| Basis of Eligibility Unknown | (\$235,913,708) | \$17,290,380 | \$14,513,185 | \$19,565,130 | \$72,037,186 | \$2,714 | \$46,096 | n/a | 0.0% |
| Total | \$1,375,797,421 | \$1,365,423,117 | \$1,510,079,842 | \$1,684,717,766 | \$2,001,284,181 | \$2,185,473,747 | \$2,356,625,491 | 9.4% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$69,985,612 | \$51,741,196 | \$60,788,955 | \$64,729,966 | \$80,286,522 | \$83,909,961 | \$106,209,099 | 7.2% | 4.5% |
| Age 1 to 5 | \$170,587,004 | \$160,525,673 | \$170,247,526 | \$194,577,536 | \$224,120,406 | \$247,794,901 | \$262,910,426 | 7.5% | 11.2% |
| Age 6 to 14 | \$157,649,124 | \$155,005,374 | \$160,226,061 | \$203,690,069 | \$249,556,847 | \$273,263,014 | \$295,921,339 | 11.1% | 12.6% |
| Age 15 to 20 | \$121,005,431 | \$108,347,735 | \$116,714,456 | \$140,132,414 | \$181,624,235 | \$211,356,444 | \$222,767,043 | 10.7% | 9.5% |
| Age 21 to 44 | \$350,725,626 | \$257,741,554 | \$281,573,213 | \$318,574,809 | \$362,992,945 | \$391,157,902 | \$420,116,216 | 3.1% | 17.8% |
| Age 45 to 64 | \$239,447,900 | \$199,268,169 | \$225,192,388 | \$255,947,487 | \$308,256,998 | \$346,303,919 | \$379,995,987 | 8.0% | 16.1% |
| Age 65 to 74 | \$117,089,152 | \$99,769,182 | \$113,345,064 | \$114,563,471 | \$131,227,070 | \$141,139,694 | \$154,016,028 | 4.7% | 6.5% |
| Age 75 to 84 | \$181,078,028 | \$148,227,792 | \$172,546,148 | \$176,720,727 | \$213,874,550 | \$226,516,838 | \$239,443,252 | 4.8% | 10.2% |
| Age 85 and Over | \$213,433,778 | \$167,489,321 | \$194,928,037 | \$196,212,819 | \$249,344,608 | \$264,031,071 | \$275,246,097 | 4.3% | 11.7% |
| Age Unknown | (\$245,204,234) | \$17,307,121 | \$14,517,994 | \$19,568,468 | \$0 | \$3 | \$4 | n/a | 0.0% |
| Total | \$1,375,797,421 | \$1,365,423,117 | \$1,510,079,842 | \$1,684,717,766 | \$2,001,284,181 | \$2,185,473,747 | \$2,356,625,491 | 9.4% | 100.0% |
| By Race | | | | | | | | | |
| White | \$1,073,552,240 | \$1,066,797,321 | \$981,314,155 | \$1,099,758,919 | \$1,305,570,207 | \$1,428,210,114 | \$1,535,571,521 | 6.1% | 65.2% |
| Black | \$425,077,863 | \$422,434,411 | \$390,814,103 | \$437,023,703 | \$499,477,618 | \$539,651,359 | \$575,389,834 | 5.2% | 24.4% |
| Hispanic, American Indian or Asian | \$14,367,033 | \$14,235,308 | \$17,019,449 | \$19,256,593 | \$31,389,363 | \$38,766,655 | \$47,929,998 | 22.2% | 2.0% |
| Other/Unknown | (\$137,199,715) | (\$138,043,923) | \$120,932,135 | \$128,678,551 | \$164,846,993 | \$178,845,619 | \$197,734,138 | n/a | 8.4% |
| Total* | \$1,375,797,421 | \$1,365,423,117 | \$1,510,079,842 | \$1,684,717,766 | \$2,001,284,181 | \$2,185,473,747 | \$2,356,625,491 | 9.4% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$950,004,425 | \$943,850,995 | \$902,802,265 | \$1,009,701,810 | \$1,176,603,655 | \$1,279,453,295 | \$984,638,159 | 0.6% | 41.8% |
| Male | \$670,651,186 | \$666,433,302 | \$606,807,796 | \$680,965,619 | \$824,133,799 | \$903,981,296 | \$1,368,543,917 | 12.6% | 58.1% |
| Unknown | (\$244,858,190) | (\$244,861,180) | \$469,781 | (\$5,949,663) | \$546,727 | \$2,039,156 | \$3,443,415 | n/a | 0.1% |
| Total | \$1,375,797,421 | \$1,365,423,117 | \$1,510,079,842 | \$1,684,717,766 | \$2,001,284,181 | \$2,185,473,747 | \$2,356,625,491 | 9.4% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 were provided by the state.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 97 | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | Annual Change | Above (+) or Below (-) SLC Avg. FLY 04 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$4,530.02 | \$4,284.52 | \$4,473.99 | \$5,113.80 | \$5,105.38 | \$5,415.94 | \$5,757.82 | 4.1% | -7.1% |
| Poverty Related Eligibles | \$1,371.78 | \$1,374.82 | \$1,062.43 | \$1,404.47 | \$1,471.05 | \$1,525.68 | \$1,569.09 | 2.3% | -13.1% |
| Medically Needy | \$2,359.63 | \$2,024.99 | \$2,251.31 | \$2,722.97 | \$3,133.82 | \$3,407.66 | \$2,937.34 | 3.7% | -53.9% |
| Other Eligibles | \$9,456.86 | \$3,535.82 | \$10,140.50 | \$3,873.70 | \$12,114.56 | \$12,833.63 | \$13,730.61 | 6.4% | 91.2% |
| Maintenance Assistance Status Unknown | (\$29,298.77) | \$655.01 | \$575.01 | \$628.09 | \$646.77 | \$730.62 | \$765.45 | n/a | -69.1% |
| Total | \$3,239.25 | \$2,927.47 | \$3,086.05 | \$3,169.55 | \$3,440.96 | \$3,498.31 | \$3,549.56 | 1.5% | -13.5% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$8,293.22 | \$6,723.80 | \$7,568.07 | \$8,247.33 | \$9,024.90 | \$9,372.75 | \$9,790.48 | 2.8% | -10.9% |
| Children | \$1,462.18 | \$1,194.53 | \$1,175.66 | \$1,224.78 | \$1,456.65 | \$1,365.12 | \$1,393.36 | -0.8% | -3.3% |
| Foster Care Children | \$5,779.50 | \$6,207.01 | \$5,482.39 | \$6,741.63 | \$6,569.22 | \$6,368.27 | \$6,320.34 | 1.5% | -7.0% |
| Adults | \$1,168.21 | \$1,033.90 | \$1,071.22 | \$1,148.19 | \$1,750.22 | \$1,250.88 | \$1,242.50 | 1.0% | -52.9% |
| Basis of Eligibility Unknown | (\$29,298.77) | \$655.01 | \$575.01 | \$628.09 | \$646.80 | \$2,714.00 | \$122.60 | n/a | -95.1% |
| Total | \$3,239.25 | \$2,927.47 | \$3,086.05 | \$3,169.55 | \$3,440.96 | \$3,498.31 | \$3,549.56 | 1.5% | -13.5% |
| By Age | | | | | | | | | |
| Under Age 1 | \$4,307.34 | \$3,179.18 | \$3,654.28 | \$3,566.19 | \$4,014.53 | \$4,152.52 | \$4,845.31 | 2.0% | 37.5% |
| Age 1 to 5 | \$2,208.88 | \$2,056.20 | \$2,049.00 | \$2,075.52 | \$2,015.73 | \$2,053.61 | \$2,063.64 | -1.1% | 17.5% |
| Age 6 to 14 | \$1,678.80 | \$1,505.73 | \$1,421.36 | \$1,587.24 | \$1,627.53 | \$1,643.35 | \$1,655.54 | -0.2% | 0.0% |
| Age 15 to 20 | \$2,486.86 | \$1,918.24 | \$1,890.82 | \$2,063.62 | \$2,236.59 | \$2,394.43 | \$2,320.97 | -1.1% | -10.5% |
| Age 21 to 44 | \$3,958.53 | \$2,815.74 | \$2,987.17 | \$3,306.30 | \$3,271.47 | \$3,261.58 | \$3,313.30 | -2.9% | -33.3% |
| Age 45 to 64 | \$6,876.73 | \$5,684.61 | \$6,218.04 | \$6,791.22 | \$7,114.99 | \$7,390.18 | \$7,482.89 | 1.4% | -21.2% |
| Age 65 to 74 | \$5,393.82 | \$4,829.10 | \$5,465.05 | \$5,658.29 | \$6,312.33 | \$6,538.48 | \$6,997.87 | 4.4% | -9.1% |
| Age 75 to 84 | \$7,874.33 | \$6,892.39 | \$8,069.31 | \$8,359.54 | \$9,643.55 | \$10,197.49 | \$10,901.13 | 5.6% | -2.1% |
| Age 85 and Over | \$10,865.09 | \$9,568.08 | \$11,254.51 | \$11,658.52 | \$13,383.32 | \$14,111.76 | \$15,024.35 | 5.6% | -10.7% |
| Age Unknown | (\$266,816.36) | \$655.95 | \$575.47 | \$628.44 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| Total | \$3,239.25 | \$2,927.47 | \$3,086.05 | \$3,169.55 | \$3,440.96 | \$3,498.31 | \$3,549.56 | 1.5% | -13.5% |
| By Race | | | | | | | | | |
| White | \$4,171.35 | \$3,775.46 | \$3,310.41 | \$3,416.16 | \$3,689.26 | \$3,758.05 | \$3,788.65 | -1.6% | -25.5% |
| Black | \$2,994.10 | \$2,710.48 | \$2,410.55 | \$2,480.19 | \$2,705.82 | \$2,789.08 | \$2,866.81 | -0.7% | -15.7% |
| Hispanic, American Indian or Asian | \$2,010.78 | \$1,788.58 | \$1,596.05 | \$1,678.72 | \$1,514.93 | \$1,445.60 | \$1,489.90 | -4.9% | -43.8% |
| Other/Unknown | (\$7,519.03) | (\$6,886.70) | \$6,016.00 | \$5,868.23 | \$7,356.61 | \$7,336.35 | \$7,683.47 | n/a | 72.0% |
| Total | \$3,239.25 | \$2,927.47 | \$3,086.05 | \$3,169.55 | \$3,440.96 | \$3,498.31 | \$3,549.56 | 1.5% | -13.5% |
| By Sex | | | | | | | | | |
| Female | \$3,563.30 | \$3,226.61 | \$2,965.32 | \$3,053.35 | \$3,339.95 | \$3,389.19 | \$2,476.26 | -5.9% | -41.5% |
| Male | \$4,269.08 | \$3,856.83 | \$3,284.49 | \$3,394.15 | \$3,597.42 | \$3,669.63 | \$5,173.81 | 3.3% | 26.7% |
| Unknown | (\$239,119.33) | (\$221,995.63) | \$3,865.03 | (\$27,417.80) | \$2,336.44 | \$2,341.17 | \$1,939.95 | n/a | -27.0% |
| Total | \$3,239.25 | \$2,927.47 | \$3,086.05 | \$3,169.55 | \$3,440.96 | \$3,498.31 | \$3,549.56 | 1.5% | -13.5% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 were provided by the state.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Several Demonstrations and Waivers have established a coordinated system of Medicaid services and providers. These include the following:

- The Primary Care Case Management Program, under Title XIX, Section 1915 (b), of the Social Security Act, which also provides case-management services for most beneficiaries, except for dual Medicare/Medicaid eligibles, has been operating since February, 1994. Under this program, Medicaid recipients must select a primary care physician (PCP). Currently, approximately 320,000 Medicaid recipients are enrolled in the PCP managed care program.
- The Non-Emergency Transportation Waiver, under Title XIX, Section 1915(b), of the Social Security Act, which requires beneficiaries to use the contracted transportation broker in their area for non-emergency transportation services, was implemented March 1, 1998.
- The Women's Health Demonstration (family planning Services), under Section 1115 of the Social Security Act, which provides services for women of childbearing age who have a family income at or below 200%* of the federal poverty guidelines, was implemented September 1, 1997. *Increased from 133% to 200% FPL, effective 8-1-03.
- ARKids First-B Demonstration, under Section 1115 of the Social Security Act, which provides services for children 18 and under whose family incomes are at or below 200% of the federal poverty guidelines, was implemented September 1, 1997. Includes provisions for copayments/coinsurance for most services. "Well health" services are excluded from cost-sharing requirements.
- Independent Choices, a cash and counseling demonstration operating under Section 1115 of the Social Security Act, was implemented November 1, 1998. This demonstration offers cash allowance and counseling services in lieu of traditionally provided personal care services.
- TEFRA, a demonstration operating under Section 1115 of the Social Security Act, provides the full range of Medicaid services to children age 18 and under who have a substantial disability. The demonstration, implemented January 1, 2003, requires a family sliding-scale premium for families whose income is greater than \$25,000 per year.

Several Home and Community Based Service Waivers, under Section 1915 (c), enable the state to provide long-term care services to people who otherwise would require institutionalization. These waivers include:

- Developmental Disabilities - Alternative Community Services waiver: Serves beneficiaries who meet the ICF/MR nursing home level of care and who experience various health and social problems. It has been operating since July 1, 1991.
- Aged and Disabled, ElderChoices: Serves 5,478 people, operating since July 1, 1991.
- Home and Community Based Waiver, Alternatives for Adults with Physical Disabilities, which provides services to the physically disabled on SSI and other individuals in need of nursing home level of care, ages 21 through 64, serves 1,110 people. Implemented July 1, 1997.
- Respite Care HCBS Waivers for children with physical disabilities, or with mental retardation or developmental disabilities. Total program expenditures are capped at \$200,000 per year. Implemented November 1, 2002.
- LivingChoices Assisted Living Home and Community Based Waiver for persons aged 21 and older who are blind, elderly or disabled and eligible for a nursing home intermediate level of care. Implemented 12/1/02.

Managed Care

- Any Willing Provider Clause: No

SOUTHERN REGION MEDICAID PROFILE

Coverage for Targeted Population

- The Uninsured: Arkansas does not have an indigent care program.

Cost Containment Measures

- Certificate of Need Program and moratorium on expansion of nursing home and residential care beds are no longer in effect.

Medicaid

- 45 optional services are offered.
- Enacted legislation in 2001 that requires Medicaid to provide coverage to women that have been screened and diagnosed with breast or cervical cancer Implemented December 1, 2001. (Federal option made available by the Breast and Cervical Cancer Prevention and Treatment Act of 2000).
- Enacted legislation in 2001 that authorizes the Arkansas Department of Health to apply for a Medicaid waiver to provide for a limited pharmacy benefit for Medicare-eligible individuals who do not have prescription drug coverage. CMS did not approve the waiver; they suggested a State Plan Amendment (SPA). The SPA to provide the full range of benefits to individuals age 65 and older at 75% of the FPL was implemented November 1, 2002. Increased to 80% FPL, effective January 1, 2003.
- Enacted additional legislation in 2001 relative to Medicaid eligibility as follows:
 1. Prohibits eligibility regulations for ARKids from including an assets or resource test for children or families of children age 18 or younger. Implemented 8-13-01.
 2. Continues Medicaid and food stamp benefits without the need for reapplication for families sanctioned for non-compliance with the requirements of the Transitional Employment Assistance Program (TANF) program, for as long as the family remains eligible under the Medicaid and Food Stamp programs.

Children's Health Insurance Program: Medicaid Expansion

- The State had a SCHIP medicaid expansion in place from 10/1/98 through 9/30/02. The Medicaid expansion covered children born after 9/30/82 and prior to 10/1/83 in families with incomes at or below 100% of the Federal Poverty Level.
- The State submitted an amendment to its ARKids-B 1115 demonstration on July 2, 2002 to revise the benefit package to coordinate with SCHIP; the benefit changes were approved January 24, 2003 but will not be implemented. The approval letter authorized the State to use SCHIP Medicaid expansion monies for the ARKids-B children who meet the definition of a SCHIP targeted low-income child. The State implemented the Medicaid expansion in 2003.
- The State submitted a SPA on July 10, 2002 which was withdrawn on April 15, 2004.
- The State submitted a SPA on 4-1-04 to add the unborn children option as a separate state program. The SPA was approved June 30, 2004 and implemented on July 1, 2004.

Cost sharing requirements for the ARKKids B are as follows:

\$5 co-payment for prescription drugs;

\$10 co-payment for doctor's office visits other than well-child visits;

20% of the Medicaid allowed amount for durable medical equipment; and

20% of the Medicaid per diem cost for the first inpatient day.

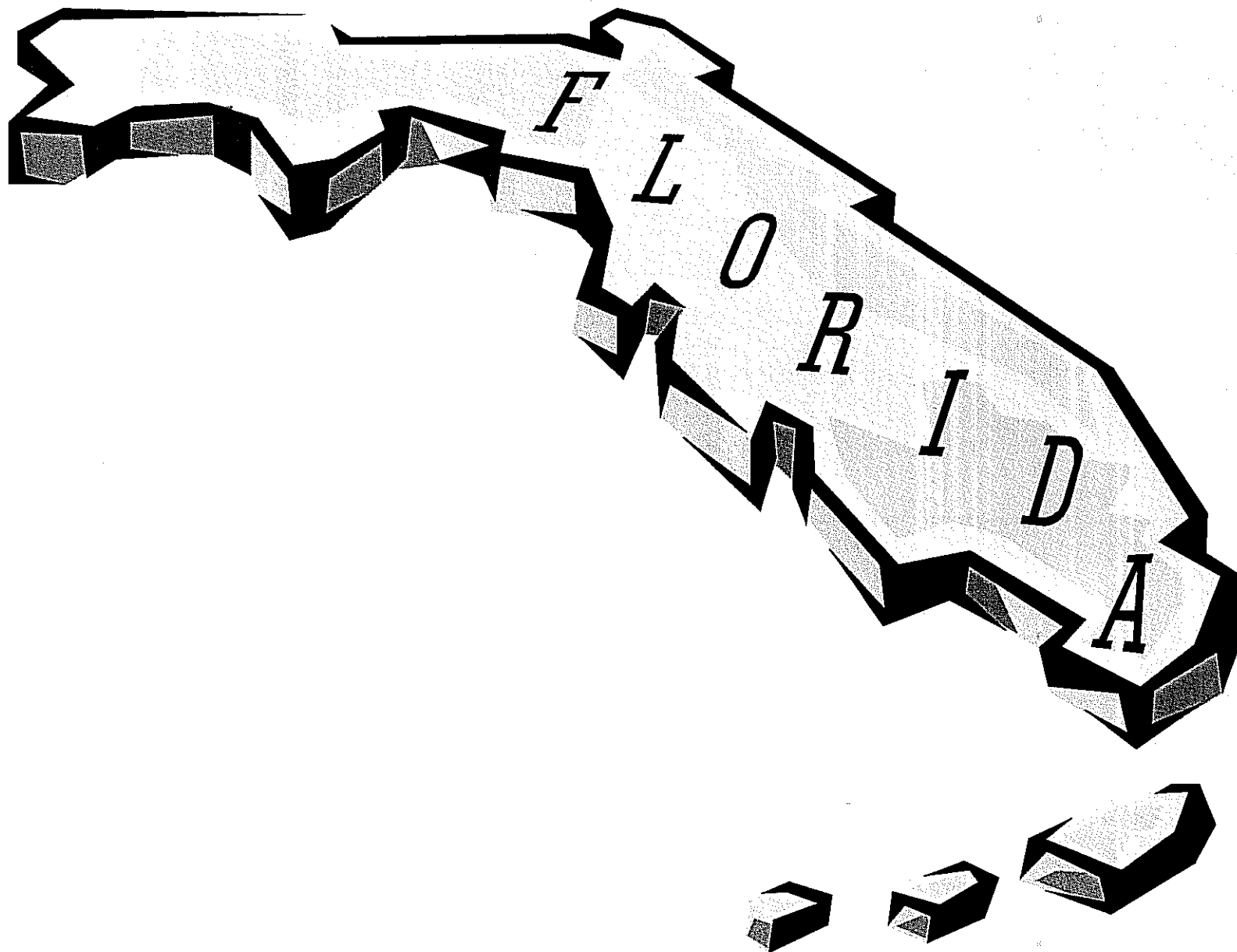
SOUTHERN REGION MEDICAID PROFILE

Tobacco Settlement

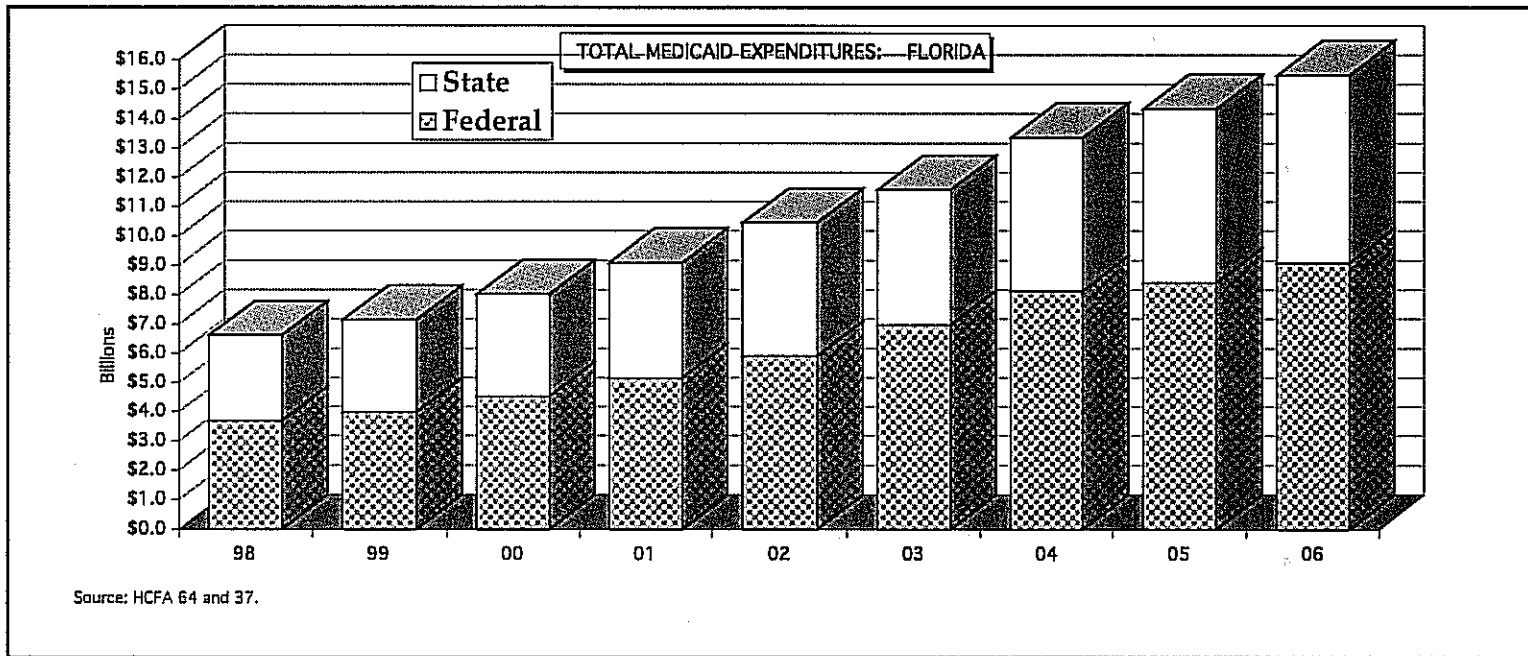
- The state expects to receive approximately \$1.69 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$181.8 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | AR | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$58,986,000 | 32.4% | \$1,813,423,000 | 4.6% |
| Health services | \$88,257,000 | 48.5% | \$11,824,057,000 | 29.9% |
| Long-term care | \$3,792,000 | 2.1% | \$2,200,066,000 | 5.6% |
| Health research | \$30,535,000 | 16.8% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$0 | 0.0% | \$7,636,209,000 | 19.3% |
| Other | \$218,000 | 0.1% | \$10,048,868,000 | 25.4% |
| Total | \$181,788,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|-----------------------|--------------------|
| Medicaid Payments | \$6,370,758,826 | \$6,769,330,858 | \$7,564,164,398 | \$8,609,434,647 | \$9,936,647,680 | \$11,038,180,825 | \$12,789,934,905 | \$13,606,345,000 | \$14,760,068,000 | 11.1% | 131.7% |
| Federal Share | \$3,552,126,454 | \$3,781,663,397 | \$4,286,107,243 | \$4,891,002,952 | \$5,631,499,166 | \$6,674,640,012 | \$7,819,116,022 | \$8,021,189,000 | \$8,701,341,000 | 11.9% | 145.0% |
| State Share | \$2,818,632,372 | \$2,987,667,461 | \$3,278,057,155 | \$3,718,431,695 | \$4,305,148,514 | \$4,363,540,813 | \$4,970,818,883 | \$5,585,156,000 | \$6,058,727,000 | 10.0% | 115.0% |
| Administrative Costs | \$249,202,960 | \$375,049,767 | \$457,606,645 | \$488,243,434 | \$528,381,789 | \$548,942,130 | \$578,830,618 | \$741,182,000 | \$723,340,000 | 14.2% | 190.3% |
| Federal Share | \$133,451,996 | \$205,391,389 | \$247,122,600 | \$265,513,881 | \$287,929,940 | \$304,067,260 | \$316,439,854 | \$401,412,000 | \$393,416,000 | 14.5% | 194.8% |
| State Share | \$115,750,964 | \$169,658,378 | \$210,484,045 | \$222,729,553 | \$240,451,849 | \$244,874,870 | \$262,390,764 | \$339,770,000 | \$329,924,000 | 14.0% | 185.0% |
| Admin. Costs as % of Payments | 3.91% | 5.54% | 6.05% | 5.67% | 5.32% | 4.97% | 4.53% | 5.45% | 4.90% | | |
| Federal Match Rate* | 55.65% | 55.82% | 56.52% | 56.62% | 56.43% | 58.83% | 58.93% | 58.90% | 58.89% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

FLORIDA

SOUTHERN REGION MEDICAID PROFILE

| STATE FINANCING | Payments | | Administration | |
|--------------------|-----------------|-----------------|----------------|---------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$2,674,532,372 | \$3,360,864,005 | \$115,750,964 | \$262,390,764 |
| Local Funds | \$0 | \$445,611,928 | \$0 | \$0 |
| Provider Taxes | \$144,100,000 | \$262,496,928 | \$0 | \$0 |
| Donations* | \$0 | \$0 | \$0 | \$0 |
| Other** | \$0 | \$901,846,022 | \$0 | \$0 |
| Total State Share | \$2,818,632,372 | \$4,970,818,883 | \$115,750,964 | \$262,390,764 |

*Donations: Pharmaceutical Rebates, Fraud & Abuse recoupments, Transfers from Counties

**Other: Cigarette Tax, Tobacco Settlement, Interest

| Provider Taxes Currently in Place (FFY 04) | | |
|--|-------------------------------|---------------|
| | Tax Rate | Amount |
| General Hospitals | | \$262,496,928 |
| Inpatient Services | 1.5% of net operating revenue | |
| Outpatient Services | 1.0% of net operating revenue | |
| Total | | \$262,496,928 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

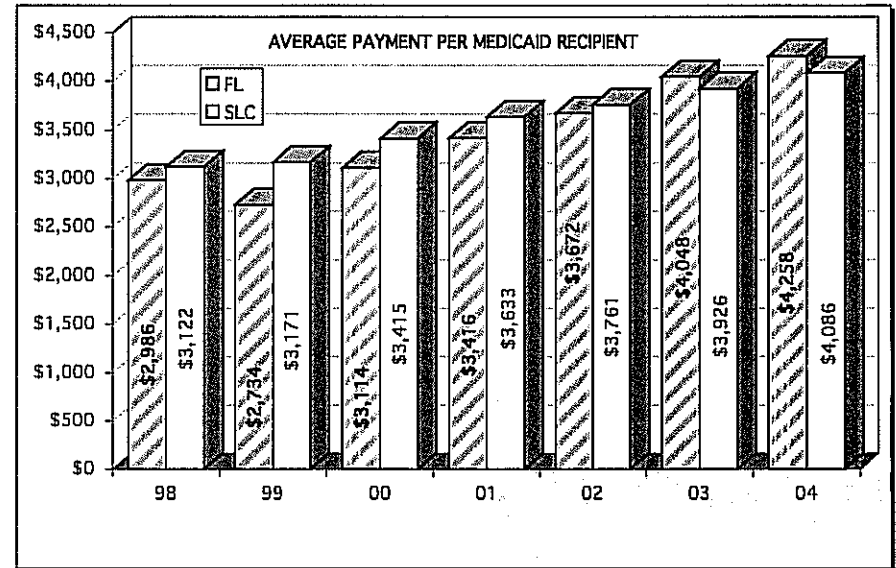
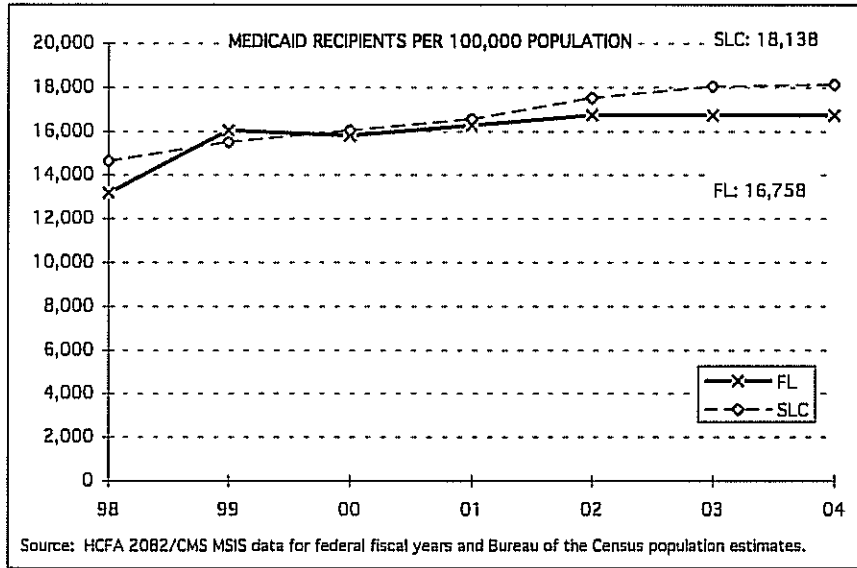
| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Hospitals | \$221,802,934 | \$211,015,425 | \$200,639,067 | \$189,094,373 | \$222,430,909 | \$182,536,044 | \$203,645,375 | \$242,738,000 | \$216,479,000 | 1.3% |
| Mental Hospitals | \$148,951,110 | \$149,714,985 | \$147,845,588 | \$149,714,986 | \$148,287,275 | \$88,239,048 | \$103,505,949 | \$116,528,000 | \$103,581,000 | -5.8% |
| Total | \$370,754,044 | \$360,730,410 | \$348,484,655 | \$338,809,359 | \$370,718,184 | \$270,775,092 | \$307,151,324 | \$359,266,000 | \$320,060,000 | -1.4% |

| SELECTED ELIGIBILITY CRITERIA | | | | DEMOGRAPHIC DATA & POVERTY INDICATORS (2004) | | | |
|--|------------|-----------|---|--|-----------------|--|--------------|
| | At 10/1/04 | % of FPL* | | | | | Rank in U.S. |
| TANF-Temporary Assistance for Needy Families (Family of 3) | | | State population—July 1, 2004* | | 17,397,161 | | 4 |
| Need Standard | \$1,306 | 100.0% | Per capita personal income** | | \$31,455 | | 23 |
| Payment Standard | \$198 | 15.2% | Median household income** | | \$38,572 | | 37 |
| Maximum Payment | \$303 | 23.2% | | | | | |
| Medically Needy Program (Family of 3) | | | Population below Federal Poverty Level on July 1, 2003* | | 2,209,439 | | |
| Income Eligibility Standard | \$303 | | Percent of total state population | | 12.7% | | 17 |
| Resource Standard | \$6,000 | | | | | | |
| Pregnant Women, Children and Infants (% of FPL*) | | | Population without health insurance coverage* | | 3,071,000 | | 3 |
| Pregnant women and infants | | 185.0% | Percent of total state population | | 17.7% | | 8 |
| Children age 1 to 5 | | 133.0% | | | | | |
| Children age 6 to 18 | | 100.0% | Recipients of Food Stamps*** | | 1,225,900 | | 4 |
| SSI Eligibility Levels | | | Households receiving Food Stamps*** | | 591,792 | | 4 |
| Income: | | | Total value of issuance*** | | \$1,193,506,140 | | 5 |
| Single Person | \$564 | 72.7% | Average monthly benefit per recipient | | \$81.13 | | 10 |
| Couple | \$846 | 81.3% | Average monthly benefit per household | | \$168.06 | | |
| Resources: | | | Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | | 124,429 | | 11 |
| Single Person | \$2,000 | | Total TANF payments**** | | \$185,715,862 | | 30 |
| Couple | \$3,000 | | Average monthly payment per recipient | | \$124.38 | | 30 |
| | | | Maximum monthly payment per family of 3 | | \$303.00 | | 35 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98** | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| 01. General Hospital | 241,668 | 405,623 | 448,982 | 410,596 | 432,107 | 408,060 | 435,908 | 10.3% |
| 02. Mental Hospital | 253 | 220 | 234 | 144 | 346 | 125 | 141 | -9.3% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 73,030 | 91,985 | 89,954 | 111,174 | 107,237 | 98,808 | 105,597 | 6.3% |
| 04. Intermediate Care for Mentally Retarded | 3,567 | 3,664 | 3,589 | 3,551 | 3,468 | 3,448 | 3,701 | 0.6% |
| 05. Physician Services | 754,818 | 1,026,745 | 1,037,041 | 1,162,536 | 1,228,615 | 1,278,637 | 1,355,622 | 10.3% |
| 06. Dental Services | 374,202 | 341,397 | 358,949 | 374,477 | 415,419 | 396,846 | 423,676 | 2.1% |
| 07. Other Practitioners | 121,191 | 161,606 | 182,617 | 226,893 | 252,701 | 259,220 | 273,508 | 14.5% |
| 08. Outpatient Hospital | 644,876 | 1,055,037 | 1,111,223 | 1,036,386 | 1,011,120 | 939,204 | 1,007,996 | 7.7% |
| 09. Clinic Services | 169,145 | 226,449 | 243,761 | 280,990 | 310,422 | 306,911 | 325,156 | 11.5% |
| 10. Lab and X-Ray | 463,748 | 667,887 | 696,834 | 780,039 | 816,760 | 862,123 | 912,993 | 12.0% |
| 11. Home Health | 33,307 | 56,606 | 63,906 | 76,529 | 87,207 | 96,057 | 100,965 | 20.3% |
| 12. Prescribed Drugs | 1,014,372 | 1,079,997 | 1,072,082 | 1,159,155 | 1,245,461 | 1,309,456 | 1,309,456 | 4.3% |
| 13. Family Planning | 137 | 9,879 | 12,005 | 9,952 | 9,363 | 9,248 | 9,848 | 103.9% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 256,591 | 0 | 0 | 0 | 0 | 0 | 3,044 | -52.2% |
| 15. Other Care | 275,172 | 582,943 | 606,677 | 701,699 | 915,937 | 838,570 | 885,093 | 21.5% |
| 16. Personal Care Support Services | 199,651 | 212,120 | 229,299 | 268,265 | 296,865 | 300,111 | 317,983 | 0.0% |
| 17. Home/Community Based Waiver Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 18. Prepaid Health Care | 791,752 | 836,479 | 768,754 | 879,352 | 1,097,790 | 1,133,720 | 1,199,071 | 0.0% |
| 19. Primary Care Case Management (PCCM) Services | 841,304 | 740,487 | 879,072 | 947,040 | 948,864 | 1,128,371 | 1,193,453 | 0.0% |
| Total* | 1,904,591 | 2,355,638 | 2,360,417 | 2,458,609 | 2,676,235 | 2,743,368 | 2,915,398 | 7.4% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual Change</u> | <u>Share of Total FFY 04</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|----------------------|------------------------------|
| 01. General Hospital | \$1,038,563,277 | \$1,104,464,305 | \$1,289,042,041 | \$1,606,925,885 | \$1,911,377,694 | \$2,179,604,877 | \$2,426,381,755 | 15.2% | 19.5% |
| 02. Mental Hospital | \$14,638,423 | \$36,866,458 | \$88,838,028 | \$98,367,444 | \$93,246,258 | \$58,321,968 | \$67,106,358 | 28.9% | 0.5% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$1,340,608,163 | \$1,390,332,461 | \$1,513,576,612 | \$1,531,822,453 | \$1,886,566,368 | \$2,141,536,789 | \$2,409,212,374 | 10.3% | 19.4% |
| 04. Intermediate Care for Mentally Retarded | \$255,636,949 | \$267,027,364 | \$279,634,012 | \$288,706,246 | \$310,394,497 | \$315,468,812 | \$362,516,665 | 6.0% | 2.9% |
| 05. Physician Services | \$201,410,207 | \$346,965,626 | \$377,329,125 | \$416,450,728 | \$464,444,671 | \$522,810,315 | \$582,659,632 | 19.4% | 4.7% |
| 06. Dental Services | \$79,571,073 | \$86,994,473 | \$93,258,140 | \$84,342,950 | \$94,114,479 | \$86,063,822 | \$100,255,901 | 3.9% | 0.8% |
| 07. Other Practitioners | \$37,239,783 | \$11,538,834 | \$14,345,085 | \$19,371,157 | \$22,428,448 | \$24,648,641 | \$28,885,957 | -4.1% | 0.2% |
| 08. Outpatient Hospital | \$322,884,138 | \$303,908,598 | \$357,121,891 | \$352,754,166 | \$357,058,855 | \$400,590,600 | \$457,843,854 | 6.0% | 3.7% |
| 09. Clinic Services | \$103,185,250 | \$199,964,978 | \$215,937,614 | \$250,223,795 | \$264,417,717 | \$294,099,648 | \$327,868,761 | 21.2% | 2.6% |
| 10. Lab and X-Ray | \$36,231,750 | \$60,300,118 | \$65,678,261 | \$76,519,161 | \$84,502,326 | \$97,110,704 | \$107,974,385 | 20.0% | 0.9% |
| 11. Home Health | \$75,237,726 | \$136,690,552 | \$169,113,580 | \$202,103,358 | \$228,095,839 | \$246,385,426 | \$273,169,748 | 24.0% | 2.2% |
| 12. Prescribed Drugs | \$933,782,041 | \$1,092,855,918 | \$1,366,193,807 | \$1,487,935,645 | \$1,736,991,594 | \$2,062,349,922 | \$2,291,567,908 | 16.1% | 18.5% |
| 13. Family Planning | \$81,663 | \$2,600,867 | \$3,438,081 | \$3,232,247 | \$3,930,124 | \$3,641,193 | \$4,018,265 | 91.4% | 0.0% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$28,486,368 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,583,372 | -38.2% | 0.0% |
| 15. Other Care | \$108,796,297 | \$433,324,033 | \$527,926,702 | \$721,805,085 | \$899,031,616 | \$1,018,739,075 | \$1,110,187,637 | 47.3% | 8.9% |
| 16. Personal Care Support Services | \$391,136,226 | \$184,878,467 | \$225,888,869 | \$285,758,188 | \$328,213,643 | \$379,373,858 | \$433,859,501 | 1.7% | 0.0% |
| 17. Home/Community Based Waiver Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| 18. Prepaid Health Care | \$701,322,837 | \$764,245,423 | \$742,735,652 | \$948,734,189 | \$1,118,823,609 | \$1,246,828,073 | \$1,399,162,385 | 12.2% | 11.3% |
| 19. Primary Case Management (PCCM) Services | \$18,032,691 | \$16,669,626 | \$20,305,524 | \$23,106,828 | \$23,365,950 | \$26,802,327 | \$30,304,369 | 9.0% | 0.2% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$5,686,844,862 | \$6,439,628,101 | \$7,350,363,024 | \$8,398,159,525 | \$9,827,003,688 | \$11,104,376,050 | \$12,414,558,827 | 13.9% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLIC | |
|---|-------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|--------------------|
| | | | | | | | | | <u>Avg. FFY 04</u> |
| 01. General Hospital | \$4,297.48 | \$2,722.88 | \$2,871.03 | \$3,913.64 | \$4,423.39 | \$5,341.38 | \$5,566.27 | 4.4% | 14.1% |
| 02. Mental Hospital | \$57,859.38 | \$167,574.81 | \$379,649.69 | \$683,107.25 | \$269,497.86 | \$466,575.74 | \$475,931.62 | 42.1% | 2609.5% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$18,356.95 | \$15,114.77 | \$16,826.12 | \$13,778.60 | \$17,592.49 | \$21,673.72 | \$22,815.16 | 3.7% | 4.6% |
| 04. Intermediate Care for Mentally Retarded | \$71,667.21 | \$72,878.65 | \$77,914.19 | \$81,302.80 | \$89,502.45 | \$91,493.27 | \$97,951.00 | 5.3% | 17.8% |
| 05. Physician Services | \$266.83 | \$337.93 | \$363.85 | \$358.23 | \$378.02 | \$408.88 | \$429.81 | 8.3% | -19.2% |
| 06. Dental Services | \$212.64 | \$254.82 | \$259.81 | \$225.23 | \$226.55 | \$216.87 | \$236.63 | 1.8% | -28.6% |
| 07. Other Practitioners | \$307.28 | \$71.40 | \$78.55 | \$85.38 | \$88.75 | \$95.09 | \$105.61 | -16.3% | -40.2% |
| 08. Outpatient Hospital | \$500.69 | \$288.05 | \$321.38 | \$340.37 | \$353.13 | \$426.52 | \$454.21 | -1.6% | -23.4% |
| 09. Clinic Services | \$610.04 | \$883.05 | \$885.86 | \$890.51 | \$851.80 | \$958.26 | \$1,008.34 | 8.7% | 37.6% |
| 10. Lab and X-Ray | \$78.13 | \$90.28 | \$94.25 | \$98.10 | \$103.46 | \$112.64 | \$118.26 | 7.2% | -35.3% |
| 11. Home Health | \$2,258.92 | \$2,414.77 | \$2,646.29 | \$2,640.87 | \$2,615.57 | \$2,564.99 | \$2,705.59 | 3.1% | 29.6% |
| 12. Prescribed Drugs | \$920.55 | \$1,011.91 | \$1,274.34 | \$1,283.64 | \$1,394.66 | \$1,574.97 | \$1,750.02 | 11.3% | 30.0% |
| 13. Family Planning | \$596.08 | \$263.27 | \$286.39 | \$324.78 | \$419.75 | \$393.73 | \$408.03 | -6.1% | -42.6% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$111.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$520.16 | 29.4% | 21.7% |
| 15. Other Care | \$395.38 | \$743.34 | \$870.19 | \$1,028.65 | \$981.54 | \$1,214.85 | \$1,254.32 | 21.2% | -37.5% |
| 16. Personal Care Support Services | \$1,959.10 | \$871.57 | \$985.13 | \$1,065.21 | \$1,105.60 | \$1,264.11 | \$1,364.41 | -5.9% | 0.0% |
| 17. Home/Community Based Waiver Services | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | 0.0% |
| 18. Prepaid Health Care | \$885.79 | \$913.65 | \$966.16 | \$1,078.90 | \$1,019.16 | \$1,099.77 | \$1,166.87 | 4.7% | 0.0% |
| 19. Primary Care Case Management (PCCM) Services | \$21.43 | \$22.51 | \$23.10 | \$24.40 | \$24.63 | \$23.75 | \$25.39 | 2.9% | 0.0% |
| Total (Average) | \$2,985.86 | \$2,733.71 | \$3,114.01 | \$3,415.82 | \$3,671.95 | \$4,047.72 | \$4,258.27 | 6.1% | 4.2% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------|
| TOTAL PER CAPITA EXPENDITURES | \$459.12 | \$486.77 | \$537.80 | \$602.05 | \$654.79 | \$706.68 | \$768.45 | 9.0% | -12.3% |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|----------------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 1,100,787 | 981,059 | 971,716 | 1,004,077 | 1,033,046 | 1,063,659 | 1,136,681 | 0.5% | 39.0% |
| Poverty Related Eligibles | 498,267 | 639,175 | 688,275 | 799,583 | 832,529 | 932,107 | 984,194 | 12.0% | 33.8% |
| Medically Needy | 41,070 | 40,037 | 45,079 | 43,713 | 47,717 | 57,567 | 60,832 | 6.8% | 2.1% |
| Other Eligibles | 249,348 | 215,341 | 271,694 | 327,317 | 462,626 | 463,590 | 487,200 | 11.8% | 16.7% |
| Maintenance Assistance Status Unknown | 15,119 | 480,026 | 383,653 | 283,919 | 300,317 | 226,445 | 246,491 | 59.2% | 8.5% |
| Total | 1,904,591 | 2,355,638 | 2,360,417 | 2,458,609 | 2,676,235 | 2,743,368 | 2,915,398 | 7.4% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 570,544 | 580,354 | 598,659 | 630,460 | 762,698 | 688,111 | 733,564 | 4.3% | 25.2% |
| Children | 944,280 | 921,175 | 973,911 | 1,092,438 | 1,331,626 | 1,248,947 | 1,326,217 | 5.8% | 45.5% |
| Foster Care Children | 20,311 | 33,418 | 35,912 | 37,322 | 43,369 | 41,929 | 44,447 | 13.9% | 1.5% |
| Adults | 354,337 | 340,665 | 368,282 | 414,470 | 538,542 | 537,774 | 568,078 | 8.2% | 19.5% |
| Basis of Eligibility Unknown | 15,119 | 480,026 | 383,653 | 283,919 | 0 | 226,607 | 243,092 | 58.9% | 8.3% |
| Total | 1,904,591 | 2,355,638 | 2,360,417 | 2,458,609 | 2,676,235 | 2,743,368 | 2,915,398 | 7.4% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 72,385 | 74,724 | 80,350 | 86,292 | 93,939 | 99,727 | 105,748 | 6.5% | 3.6% |
| Age 1 to 5 | 360,477 | 349,318 | 374,752 | 424,557 | 472,468 | 506,219 | 535,737 | 6.8% | 18.4% |
| Age 6 to 14 | 457,266 | 458,153 | 476,199 | 525,077 | 580,830 | 611,335 | 648,222 | 6.0% | 22.2% |
| Age 15 to 20 | 175,370 | 193,695 | 206,132 | 229,984 | 257,194 | 279,195 | 295,113 | 9.1% | 10.1% |
| Age 21 to 44 | 424,619 | 404,760 | 429,386 | 470,685 | 503,685 | 523,217 | 555,921 | 4.6% | 19.1% |
| Age 45 to 64 | 150,693 | 153,880 | 163,126 | 177,479 | 191,990 | 203,717 | 216,067 | 6.2% | 7.4% |
| Age 65 to 74 | 100,119 | 97,685 | 100,804 | 107,882 | 116,004 | 124,218 | 131,891 | 4.7% | 4.5% |
| Age 75 to 84 | 85,574 | 82,802 | 85,355 | 91,228 | 96,855 | 103,856 | 110,330 | 4.3% | 3.8% |
| Age 85 and Over | 65,924 | 60,594 | 60,671 | 61,516 | 62,967 | 65,407 | 69,881 | 1.0% | 2.4% |
| Age Unknown | 12,164 | 480,027 | 383,642 | 283,909 | 300,303 | 226,477 | 246,488 | 65.1% | 8.5% |
| Total | 1,904,591 | 2,355,638 | 2,360,417 | 2,458,609 | 2,676,235 | 2,743,368 | 2,915,398 | 7.4% | 100.0% |
| By Race | | | | | | | | | |
| White | 759,097 | 980,229 | 965,595 | 1,006,913 | 888,501 | 923,075 | 988,611 | 4.5% | 33.9% |
| Black | 663,851 | 748,484 | 734,168 | 765,614 | 738,367 | 759,961 | 812,291 | 3.4% | 27.9% |
| Hispanic, American Indian or Asian | 315,386 | 409,300 | 431,608 | 448,219 | 500,550 | 540,348 | 571,736 | 10.4% | 19.6% |
| Other/ Unknown | 166,257 | 217,625 | 229,046 | 237,863 | 548,817 | 519,984 | 542,760 | 21.8% | 18.6% |
| Total* | 1,904,591 | 2,355,638 | 2,360,417 | 2,458,609 | 2,676,235 | 2,743,368 | 2,915,398 | 7.4% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 1,144,816 | 1,433,096 | 1,427,997 | 1,487,960 | 1,409,826 | 1,485,966 | 1,585,510 | 5.6% | 54.4% |
| Male | 747,611 | 917,937 | 928,698 | 966,396 | 964,823 | 1,029,220 | 1,095,127 | 6.6% | 37.6% |
| Unknown | 12,164 | 4,605 | 3,722 | 4,253 | 301,586 | 228,182 | 234,761 | 63.8% | 8.1% |
| Total* | 1,904,591 | 2,355,638 | 2,360,417 | 2,458,609 | 2,676,235 | 2,743,368 | 2,915,398 | 7.4% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$2,950,414,878 | \$3,221,206,318 | \$3,582,721,921 | \$4,001,851,080 | \$4,342,667,334 | \$4,908,672,895 | \$5,526,298,670 | 11.0% | 44.5% |
| Poverty Related Eligibles | \$1,348,334,446 | \$1,576,409,431 | \$1,719,640,919 | \$1,922,771,392 | \$2,106,706,190 | \$2,473,495,408 | \$2,772,740,662 | 12.8% | 22.3% |
| Medically Needy | \$126,182,907 | \$136,691,215 | \$169,564,543 | \$171,946,765 | \$202,582,853 | \$278,927,981 | \$308,078,324 | 16.0% | 2.5% |
| Other Eligibles | \$1,236,568,867 | \$1,294,893,932 | \$1,534,339,321 | \$1,746,670,103 | \$2,328,918,754 | \$2,630,065,022 | \$2,919,219,381 | 15.4% | 23.5% |
| Maintenance Assistance Status Unknown | \$25,343,764 | \$210,427,205 | \$344,096,320 | \$554,920,185 | \$846,128,557 | \$813,214,744 | \$888,221,790 | 80.9% | 7.2% |
| Total | \$5,686,844,862 | \$6,439,628,101 | \$7,350,363,024 | \$8,398,159,525 | \$9,827,003,688 | \$11,104,376,050 | \$12,414,558,827 | 13.9% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$4,214,444,584 | \$4,686,681,537 | \$5,304,896,347 | \$5,810,939,356 | \$6,672,203,209 | \$7,611,255,400 | \$8,532,033,062 | 12.5% | 68.7% |
| Children | \$846,258,629 | \$869,970,939 | \$961,815,244 | \$1,144,625,407 | \$1,303,537,814 | \$1,436,019,441 | \$1,612,179,161 | 11.3% | 13.0% |
| Foster Care Children | \$51,456,136 | \$110,904,666 | \$120,979,089 | \$135,777,344 | \$154,779,453 | \$182,593,611 | \$202,901,215 | 25.7% | 1.6% |
| Adults | \$549,341,749 | \$561,643,754 | \$618,576,024 | \$751,897,233 | \$850,492,790 | \$1,059,556,240 | \$1,177,444,074 | 13.5% | 9.5% |
| Basis of Eligibility Unknown | \$25,343,764 | \$210,427,205 | \$344,096,320 | \$554,920,185 | \$845,990,422 | \$814,951,358 | \$890,001,315 | 81.0% | 7.2% |
| Total | \$5,686,844,862 | \$6,439,628,101 | \$7,350,363,024 | \$8,398,159,525 | \$9,827,003,688 | \$11,104,376,050 | \$12,414,558,827 | 13.9% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$207,214,109 | \$214,468,858 | \$243,285,913 | \$281,784,505 | \$284,968,780 | \$348,364,745 | \$390,781,389 | 11.2% | 3.1% |
| Age 1 to 5 | \$426,888,964 | \$511,848,067 | \$570,377,512 | \$682,240,625 | \$769,927,897 | \$881,051,296 | \$984,196,844 | 14.9% | 7.9% |
| Age 6 to 14 | \$428,913,238 | \$527,916,518 | \$587,540,095 | \$704,285,780 | \$798,380,718 | \$888,881,967 | \$994,539,729 | 15.0% | 8.0% |
| Age 15 to 20 | \$295,567,125 | \$363,868,824 | \$403,783,164 | \$483,348,256 | \$543,683,069 | \$623,960,160 | \$696,821,788 | 15.4% | 5.6% |
| Age 21 to 44 | \$1,379,641,858 | \$1,476,598,270 | \$1,635,143,608 | \$1,847,143,319 | \$2,046,695,874 | \$2,289,183,622 | \$2,575,732,737 | 11.0% | 20.7% |
| Age 45 to 64 | \$948,473,963 | \$1,085,760,072 | \$1,290,961,928 | \$1,486,934,092 | \$1,747,683,325 | \$2,054,164,321 | \$2,285,402,252 | 15.8% | 18.4% |
| Age 65 to 74 | \$492,763,811 | \$520,768,585 | \$588,764,856 | \$624,266,453 | \$726,621,030 | \$849,959,230 | \$952,052,731 | 11.6% | 7.7% |
| Age 75 to 84 | \$672,651,882 | \$694,789,645 | \$783,612,856 | \$824,070,714 | \$982,720,274 | \$1,134,133,908 | \$1,270,825,550 | 11.2% | 10.2% |
| Age 85 and Over | \$814,255,757 | \$833,142,370 | \$902,815,626 | \$909,280,238 | \$1,080,283,779 | \$1,221,377,550 | \$1,376,032,888 | 9.1% | 11.1% |
| Age Unknown | \$20,474,155 | \$210,466,892 | \$344,077,466 | \$554,805,543 | \$846,038,942 | \$813,299,251 | \$888,172,919 | 87.4% | 7.2% |
| Total | \$5,686,844,862 | \$6,439,628,101 | \$7,350,363,024 | \$8,398,159,525 | \$9,827,003,688 | \$11,104,376,050 | \$12,414,558,827 | 13.9% | 100.0% |
| By Race | | | | | | | | | |
| White | \$2,882,195,485 | \$3,360,406,164 | \$3,760,149,721 | \$4,309,561,680 | \$4,354,833,378 | \$4,895,171,895 | \$5,527,690,567 | 11.5% | 44.5% |
| Black | \$1,489,923,156 | \$1,532,181,868 | \$1,750,088,067 | \$2,001,191,843 | \$2,199,521,262 | \$2,424,610,929 | \$2,730,571,586 | 10.6% | 22.0% |
| Hispanic, American Indian or Asian | \$499,546,175 | \$565,044,456 | \$675,289,579 | \$767,776,170 | \$992,737,256 | \$1,171,440,057 | \$1,296,853,100 | 17.2% | 10.4% |
| Other/Unknown | \$815,180,046 | \$981,995,613 | \$1,164,835,657 | \$1,319,629,832 | \$2,279,911,792 | \$2,613,153,169 | \$2,859,443,574 | 23.3% | 23.0% |
| Total* | \$5,686,844,862 | \$6,439,628,101 | \$7,350,363,024 | \$8,398,159,525 | \$9,827,003,688 | \$11,104,376,050 | \$12,414,558,827 | 13.9% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$2,186,073,956 | \$3,836,511,323 | \$4,374,828,179 | \$4,972,393,755 | \$5,373,848,783 | \$6,154,803,718 | \$6,876,879,440 | 21.0% | 55.4% |
| Male | \$3,480,296,751 | \$2,599,731,918 | \$2,972,203,906 | \$3,419,543,912 | \$3,605,408,049 | \$4,132,882,060 | \$4,675,411,208 | 5.0% | 37.7% |
| Unknown | \$20,474,155 | \$3,384,860 | \$3,330,939 | \$6,221,858 | \$847,746,856 | \$816,690,272 | \$862,268,179 | 86.5% | 6.9% |
| Total* | \$5,686,844,862 | \$6,439,628,101 | \$7,350,363,024 | \$8,398,159,525 | \$9,827,003,688 | \$11,104,376,050 | \$12,414,558,827 | 13.9% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SL C Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|---|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$2,680.28 | \$3,283.40 | \$3,687.01 | \$3,985.60 | \$4,203.75 | \$4,614.89 | \$4,861.79 | 10.4% | -21.1% |
| Poverty Related Eligibles | \$2,706.05 | \$2,466.32 | \$2,498.48 | \$2,404.72 | \$2,530.49 | \$2,653.66 | \$2,817.27 | 0.7% | 56.6% |
| Medically Needy | \$3,072.39 | \$3,414.12 | \$3,761.50 | \$3,933.54 | \$4,245.51 | \$4,845.28 | \$5,064.41 | 8.7% | -20.0% |
| Other Eligibles | \$4,959.21 | \$6,013.23 | \$5,647.31 | \$5,336.33 | \$5,034.13 | \$5,673.26 | \$5,991.83 | 3.2% | -16.4% |
| Maintenance Assistance Status Unknown | \$1,676.29 | \$438.37 | \$896.89 | \$1,954.50 | \$2,817.45 | \$3,591.22 | \$3,603.47 | 13.6% | 0.0% |
| Total | \$2,985.86 | \$2,733.71 | \$3,114.01 | \$3,415.82 | \$3,671.95 | \$4,047.72 | \$4,258.27 | 6.1% | 4.2% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$7,386.71 | \$8,075.56 | \$8,861.30 | \$9,216.98 | \$8,748.16 | \$11,061.09 | \$11,630.93 | 7.9% | 6.3% |
| Children | \$896.19 | \$944.41 | \$987.58 | \$1,047.77 | \$978.91 | \$1,149.78 | \$1,215.62 | 5.2% | -15.3% |
| Foster Care Children | \$2,533.41 | \$3,318.71 | \$3,368.77 | \$3,638.00 | \$3,568.90 | \$4,354.83 | \$4,565.01 | 10.3% | -32.6% |
| Adults | \$1,550.34 | \$1,648.67 | \$1,679.63 | \$1,814.12 | \$1,579.25 | \$1,970.26 | \$2,072.68 | 5.0% | -21.1% |
| Basis of Eligibility Unknown | \$1,676.29 | \$438.37 | \$896.89 | \$1,954.50 | \$0.00 | \$3,596.32 | \$3,661.17 | 13.9% | 0.0% |
| Total | \$2,985.86 | \$2,733.71 | \$3,114.01 | \$3,415.82 | \$3,671.95 | \$4,047.72 | \$4,258.27 | 6.1% | 4.2% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,862.67 | \$2,870.15 | \$3,027.83 | \$3,265.48 | \$3,033.55 | \$3,493.18 | \$3,695.40 | 4.3% | 5.4% |
| Age 1 to 5 | \$1,184.23 | \$1,465.28 | \$1,522.01 | \$1,606.95 | \$1,629.59 | \$1,740.45 | \$1,837.09 | 7.6% | 5.0% |
| Age 6 to 14 | \$938.00 | \$1,152.27 | \$1,233.81 | \$1,341.30 | \$1,374.55 | \$1,454.00 | \$1,534.26 | 8.5% | -7.0% |
| Age 15 to 20 | \$1,685.39 | \$1,878.57 | \$1,958.86 | \$2,101.66 | \$2,113.90 | \$2,234.85 | \$2,361.20 | 5.8% | -8.7% |
| Age 21 to 44 | \$3,249.13 | \$3,648.08 | \$3,808.10 | \$3,924.37 | \$4,063.44 | \$4,375.21 | \$4,633.27 | 6.1% | -6.4% |
| Age 45 to 64 | \$6,294.08 | \$7,055.89 | \$7,913.89 | \$8,378.08 | \$9,102.99 | \$10,083.42 | \$10,577.29 | 9.0% | 11.8% |
| Age 65 to 74 | \$4,921.78 | \$5,331.10 | \$5,840.69 | \$5,786.57 | \$6,263.76 | \$6,842.48 | \$7,218.48 | 6.6% | -5.8% |
| Age 75 to 84 | \$7,860.47 | \$8,390.98 | \$9,180.63 | \$9,033.09 | \$10,146.30 | \$10,920.25 | \$11,518.40 | 6.6% | 4.0% |
| Age 85 and Over | \$12,351.43 | \$13,749.59 | \$14,880.51 | \$14,781.20 | \$17,156.35 | \$18,673.50 | \$19,691.09 | 8.1% | 17.7% |
| Age Unknown | \$1,683.18 | \$438.45 | \$896.87 | \$1,954.17 | \$2,817.28 | \$3,591.09 | \$3,603.31 | 13.5% | 0.0% |
| Total | \$2,985.86 | \$2,733.71 | \$3,114.01 | \$3,415.82 | \$3,671.95 | \$4,047.72 | \$4,258.27 | 6.1% | 4.2% |
| By Race | | | | | | | | | |
| White | \$3,796.87 | \$3,428.18 | \$3,894.13 | \$4,279.97 | \$4,901.33 | \$5,303.11 | \$5,591.37 | 6.7% | 10.4% |
| Black | \$2,244.36 | \$2,047.05 | \$2,383.77 | \$2,613.84 | \$2,978.90 | \$3,190.44 | \$3,361.57 | 7.0% | -0.7% |
| Hispanic, American Indian or Asian | \$1,583.92 | \$1,380.51 | \$1,564.59 | \$1,712.95 | \$1,983.29 | \$2,167.94 | \$2,268.27 | 6.2% | -14.2% |
| Other/Unknown | \$4,903.13 | \$4,512.33 | \$5,085.60 | \$5,547.86 | \$4,154.23 | \$5,025.45 | \$5,268.34 | 1.2% | 18.3% |
| Total | \$2,985.86 | \$2,733.71 | \$3,114.01 | \$3,415.82 | \$3,671.95 | \$4,047.72 | \$4,258.27 | 6.1% | 4.2% |
| By Sex | | | | | | | | | |
| Female | \$1,909.54 | \$2,677.08 | \$3,063.61 | \$3,341.75 | \$3,811.71 | \$4,141.95 | \$4,337.33 | 14.7% | 2.8% |
| Male | \$4,655.22 | \$2,832.15 | \$3,200.40 | \$3,538.45 | \$3,736.86 | \$4,015.55 | \$4,269.29 | -1.4% | 4.9% |
| Unknown | \$1,683.18 | \$735.04 | \$894.93 | \$1,462.93 | \$2,810.96 | \$3,579.12 | \$3,672.96 | 13.9% | 38.4% |
| Total | \$2,985.86 | \$2,733.71 | \$3,114.01 | \$3,415.82 | \$3,671.95 | \$4,047.72 | \$4,258.27 | 6.1% | 4.2% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

The state operates three Freedom of Choice Waivers, under Title XIX, Section 1115, to establish a coordinated network of Medicaid providers. These include:

- Consumer Directed Care was implemented in 1999 and approximately 1,092 participants are currently receiving a monthly budget.
- Family Planning Waiver, under Section 1115, Title IV-A, of the Social Security Act, extends family planning services to women with incomes up to 185% of the FPL for two years post partum, operating since October 1, 1998. The program serves approximately 28,650 individuals in need of family planning.
- Silver Saver Drug Program: This is a five year 1115 demonstration waiver to extend access to Medicaid prescription drug coverage to individuals with incomes between 88% (\$8,193) and 120% (\$11,172) of the FPL. The waiver began on August 1, 2002. Enrollment capped at 68,149 individuals.

The state operates two general managed care and selective contracting waivers, under Title XIX, Section 1915 (b), to establish a coordinated network of Medicaid providers. These include:

- Primary Care Case Management Program (MediPass), which provides case management services for TANF and SSI-No Medicare recipients statewide and has been operating since 1991.
- Non-emergency Medical Transportation: Provides services to approximately 2 million Medicaid recipients. Implemented June 2001 and renewed December 2004.

Several Home and Community Based and Specialty Service Waivers, under Section 1915 (b/c), enable the state to provide long-term care services to people who otherwise would require institutionalization. These waivers include:

- The Prepaid Mental Health Plan, which has been in operation as a pilot since 1996, is in the process of statewide expansion. In Area 1, Access Behavioral Health has been the vendor since 2001. Florida Health Partners has been operational in Area 6 since 1996 and will begin serving recipients in Areas 5 and 7 on August 1, 2005. The remainder of the statewide procurement is expected to be complete by June 2006.
- Aged & Disabled Age 18 and Over: The waiver serves 9,557 people, operating since April 1, 1982.
- Developmental Services (MR/DD): Two waivers serve approximately 25,000 people, operating since June 14, 1980.
- Assisted Living for the Elderly Waiver is a home and community-based services program. Implemented statewide February 1, 1995. Serves recipients who reside in qualified ALFs.
- AIDS: Project Aids Care served 5,952 beneficiaries in FY 04, operating since November 1, 1989.
- Model Waiver: Serves children with Degenerative Spinocerebellar Diseases, serves 5 people, operating since June 14, 1991.
- Nursing Home Diversion Waiver authorizes a long-term care demonstration project to allow the state to contract with various pre-paid, capitated risk-based health plans designed to provide primary and long-term health care services to individuals who are eligible for both Medicare and Medicaid. Implementation of the program began in December of 1998. The waiver currently serves 5,596 individuals.
- Traumatic Brain Injury and Spinal Cord Waiver, authorized in Regular Session 1998. The state implemented the program in September of 1999. Current enrollment is approximately 261 individuals.
- The Channeling Project: Provides home and community based services through an organized health care delivery system to approximately 1,500 individuals, operating since 1985. During FY 04, the waiver served 1,327 recipients.
- The Supported Living Waiver is a home and community-based services program, effective October 1, 1998. It replaced the Supported Living Arrangement Program.
- Adult Day Health Care Waiver: Implemented in two areas of the state in 2004, currently serves 31 recipients.
- Alzheimer's Disease Waiver: Began operation in 2005, will serve up to 350 individuals in three areas of the state.
- Adult Cystic Fibrosis Waiver: Approved 2002. Provides HCBS to reduce risk of hospitalization for 126 people.

SOUTHERN REGION MEDICAID PROFILE

Waivers (Continued)

- In 2001, CMS approved another 1915 (b) waiver authorizing the state to implement a Statewide Inpatient Psychiatric Program (SIPP) for Medicaid recipients under the age of 18 that require placement in a psychiatric residential setting due to serious mental illness or emotional disturbance. The approved waiver provides for selection, through a proposal process, of 15 SIPP providers with one or two providers located in every area of the state.
- Diabetes Mail Order Waiver: Provides mail delivery of diabetes drugs and supplies at a lower rate than Medicaid fee for service allowable charges which results in savings to the Medicaid program. Currently there are approximately 4,000 recipients in areas 4, 5, 6, & 7 using this service. These recipients can also access other prescription services through the mail order contractor if they desire or they can use other community pharmacy providers.

Managed Care

- Any Willing Provider Clause: For pharmacies only. HMO's with pharmacies located on-site are exempt. Independent pharmacies are reimbursed at the same rate as contract providers as long as they meet the requirements and standards for participation.
 - Managed Care Choice Counseling: The counseling activities provide information to Medicaid enrollees to assist recipients in the selection of a health care provider; offers impartial information about MediPass and other prepaid health maintenance plans to enable recipients in their decision; if recipients do not choose a provider, they will be assigned to one of the available options in their locale.
- Enacted legislation in 1999 that prohibits an HMO from canceling or failing to renew a contract without giving the subscriber at least 45 days notice in writing.
- Enacted legislation in 1999 that requires each exclusive provider organization, HMO and prepaid health clinic to allow female subscribers to visit a contracted OB/GYN for one annual visit and any medically necessary follow-up care.

Coverage for Targeted Population

- The Uninsured: Florida does not have a statewide indigent care program, however, there are local programs subsidized through special tax districts.

Cost Containment Measures

- Certificate of Need Program since 1973, amended in 2000. Regulates introduction or expansion of new institutional health facilities and services; exempts CON requirements for Medicare-certified home health agencies, respite care services, retirement communities and residential facilities that only serve retired military personnel and their dependents.
- Rate-setting established. A state authority approves a budget or rate structure for hospitals.
- Patient Transportation Services: Established prepaid capitation rates, prior authorization, and increased use of mass transit. For FY 98-99, capped funding at \$85.9 million.
- Nursing Homes: Reduced holding bed days from 15 to 8, therapeutic leave days from 30 to 16, and inflation limitations from 1.5 to 1.4 times inflation; reform incentives; and minor changes to the Fair Rental Value System.
- Home Health Care: Develop policy and procedures to ensure that Medicare is the primary payer for dual eligible recipients; and established prior authorization for home health, durable medical equipment and private duty nursing.
- Outpatient Hospital: Limited the inflation rate increase allowed by reducing the target rate increase from 3.2 to approximately 1.4 times inflation.
- Inpatient Psychiatric Hospital: Developed prior authorization process and managed care policies for community based services for children.
- Implemented provider enrollment reforms for transportation, durable medical equipment, home health, and physician group providers.
- Established a methodology to bill counties for 35% of the cost of hospital inpatient days (13 through 45) utilized by Medicaid recipients enrolled in Medicaid PHP and HMOs.
- Pharmacy Reforms: Implemented a variable dispensing fee for prescription drugs. The current Medicaid program pays for the cost of the drug plus a dispensing fee of \$4.23 for each prescription. The new policy will permit the development of a variable dispensing fee determined by volume and other factors.

SOUTHERN REGION MEDICAID PROFILE

Cost Containment Measures (Continued)

- For FY 00, Florida projected an increase of \$20.7 million in collections from pharmaceutical manufacturers for drug rebates based on the utilization of drugs by Medicaid eligible persons enrolled in Health Maintenance Organizations and Prepaid plans.
- Enacted legislation in 2002 to alleviate fiscal problems through the following actions:
 - Reduced the number of products covered under its preferred drug list.
 - Amended the Pharmaceutical Expense Assistance Program.
 - Reduced adult dental services to emergency need only.
 - Increased reimbursement rates to Medicaid participating organ transplant facilities.
 - Authorized medically necessary lung transplants for qualified recipients.
 - Lowered the income standard for the aged and disabled population.
 - Increased the income disregard for the medically needy program.
 - Eliminated implementation of "Ticket to Work" coverage for the working disabled.
- For FY 03, implemented a no-cost Hemophilia Revenue Enhancement Program whereby "found" rebates would be used to pay vendors 20% of the gross rebate dollars collected as a result of the program.
- Restored pharmaceutical dispensing fee increase for pharmacists serving nursing home residents and other institutional residents.
- Implemented a diverted pharmaceuticals project in selected counties.
- Implemented a pilot in areas 9 and 10 for home delivery of prescription drugs at a reimbursement level of AWP minus 14 percent.
- Implemented a no-cost program for a one year prescription drug education demonstration project in Miami-Dade County focusing on mental health and HIV/AIDS drugs.
- For FY 04, contracted for drug rebate administration.
- Expanded Nursing Home diversion slots by 1,800.
- Eliminated FY 03 nursing home rate increase for liability insurance.
- Implemented a co-payment of \$15 for non-emergency use of hospital emergency department.
- Continued the Hemophilia Revenue Enhancement Program.
- Expanded home delivery program to include area 11.
- Continued the prescription drug education demonstration project in Miami-Dade County for mental health and HIV/Aids drugs.
- Expanded the state Maximum Allowable Cost (MAC) program for multi-source drugs.
- Expanded the pharmacy recipient lock-in program
- Procured a web-based, real-time prescription tracking and dispensing system.
- Required additional guaranteed savings for Value-Added programs.
- Implemented an additional 5% increase in generic drug rebates.
- Implemented co-insurance on prescription drug purchases.
- Increased third party recoveries.
- For FY 05, eliminated special Medicaid payments to Area Health Education Centers.
- Reduced inpatient hospital rates.
- Enrolled individual recipients in managed care within 30 days of the eligibility start date.
- Implemented a hospitalist program.
- Implemented a comprehensive utilization management program for hospital neonatal intensive care stays.
- Care coordination services and utilization management of inpatient psychiatric services for children.

FLORIDA

SOUTHERN REGION MEDICAID PROFILE

Cost Containment Measures (Continued)

- Reduced Outpatient Hospital Rates.
- Implemented a Physician Lock-In Program.
- Limited prescribed products to treat erectile dysfunction to a dosing level of no more than one pill per month.
- Increased the drug rebate threshold to a minimum of 29%.
- Implemented a system of Medicaid provider network controls.
- Eliminated current value-added programs in lieu of supplemental rebates, prior authorization and brand limitations.
- Implemented a behavioral pharmacy management system.
- Reduced Medicaid pharmacy ingredient prices to the lesser of Average Wholesale Price less 15.4% or Wholesaler Acquisition Cost plus 5.75 %.
- Expanded the state Maximum Allowable Cost (MAC) program.
- Implemented a prior authorization program for the off-label use of Neurontin.
- Implemented a policy to decrease the dosage frequency and amount of Zyprexa to the dosage amount recommended by the federal Food and Drug Administration.
- Implemented a policy to limit Cox II Inhibitor utilization to once a day unless prescribed for an indication requiring more frequent dosing per the FDA approved product label.
- Implemented a comprehensive utilization management program for private duty nursing services for children.
- Consolidated services included in the Aged and Disabled Waiver, the Channeling Waiver, Project AIDS Care Waiver, and Traumatic Brain Injury and Spinal Cord Injury Waiver programs. Service consolidation shall be based on a grouping of similar services.
- Reduced ICF/DD rates.
- Eliminated Medicaid coverage of bed hold days for Medicaid beneficiaries residing in nursing homes and ICF/DD with reported occupancy levels less than 95%.
- Expanded the current nursing home diversion programs by at least 3,000 slots.
- Implemented a demonstration to reduce geriatric falls among at-risk community-based Medicaid beneficiaries who reside in Broward and Miami-Dade Counties.
- Reduced nursing home rates. In reducing the individual nursing home rate, the direct patient care component of the rate shall not be reduced.
- Decreased hospice rates as a result of decreasing nursing home rates.

Medicaid

- 24 optional services are offered.
- All licensed HMO's have to take part in Medicaid unless they already have enrolled a specified number of Medicaid or Medicare enrollees.
- Counties pay 35% or \$55 per month for each nursing home resident and 35% of the non-federal share for the 13th through 45th day of of an inpatient stay for nursing home residents.
- Funded the Adult Cardiac Transplant Program as a result of the completion of a study as to the long term cost for this initiative.
- Expanded the Elderly Assisted Living Facility Waiver and the Elder Home and Community Based Services Waiver.
- In 2000, enacted new laws to: 1) require hospitals and clinics to provide newborn hearing screening; 2) allow the state to contract with an entity to provide behavioral health services through a capitated, prepaid arrangement; 3) expand eligibility for MediKids, Florida KidCare and Medicaid to children and pregnant women; 4) implement clinical eligibility and fee collection requirements for publicly funded substance abuse and mental health services; and 5) direct the Medicaid agency to implement a Medicaid prescription drug spending control program.
- Enacted the Prescription Affordability Act for Seniors to provide prescription drug subsidies, up to \$80 per person per month, to low income Florida residents age 65 and older with incomes between 90% and 120% of the FPL.
- Effective January 1, 2001, the Florida Medicare Prescription Discount Program will ensure that seniors do not pay full retail price for prescription drugs. The program requires pharmacies to charge Medicare beneficiaries a price no greater than average wholesale price of the ingredients minus 9% plus a dispensing fee of \$4.50 (applies to Medicaid dual eligibles).

SOUTHERN REGION MEDICAID PROFILE

Medicaid (Continued)

- Enacted legislation in 2001 that requires Medicaid to provide coverage to women that have been screened and diagnosed with breast or cervical cancer (Federally mandated by the Breast and Cervical Cancer Prevention and Treatment Act of 2000).
- Enacted legislation to extend Medicaid coverage to individuals that could be eligible as a result of the federal Ticket to Work and Medicaid Buy-in legislation. The programs will provide services to individuals with disabilities that are required to enable them to gain or keep employment.
- Enacted legislation in 2002 to alleviate fiscal problems through the following actions:
 - Reduced the number of products covered under its preferred drug list.
 - Amended the Pharmaceutical Expense Assistance Program.
 - Reduced adult dental services to emergency need only.
 - Increased reimbursement rates to Medicaid participating organ transplant facilities.
 - Authorized medically necessary lung transplants for qualified recipients.
 - Lowered the income standard for the aged and disabled population.
 - Increased the income disregard for the medically needy program.
 - Eliminated implementations of "Ticket to Work" coverage for the working disabled.
- For FY 06, Florida has proposed a Medicaid Reform Model to change the state's role so that it is largely a purchaser of care, and provides oversight that will focus on improving accessing and quality of care. The state will implement Medicaid reform in phases, and, upon full implementation, the Medicaid Reform Model will be the primary delivery system in the state.
- To effectively implement the program, Florida is requesting a section 1115 waiver from CMS in order to obtain expenditure authority that permits the state to provide maximum flexibility in the program's administration. The request will seek waiver of statutory provisions relative to the following:
 1. Approval and federal financial participation (FFP) for Medicaid reform benefits with cost-sharing for all Medicaid eligibility categories.
 2. Approval and FFP for the Employer Sponsored Insurance (ESI) option, with cost-sharing, if applicable.
 3. Approval and FFP for enhanced benefits expenditures.
 4. Approval and FFP for the expansion of Medicaid coverage for individuals that have lost coverage with incomes below 200% of the FPL and are not otherwise eligible for Medicaid.
 5. Approval and FFP for funds disbursed to a Low-Income Pool to eligible providers.

Children's Health Insurance Program: A Combination expansion of Medicaid and Florida Healthy Kids (Title XXI)

- Expanded Medicaid coverage for children age 15 to 19 in families with incomes up to 100% of the FPL; provides coverage for an additional 24,369 children/adolescents. The plan received HCFA approval on March 5, 1998.
- Expanded Florida Healthy Kids Program for children/adolescents age 5 to 19 in families with incomes up to 200% of the FPL (includes premium subsidies); provides coverage for an additional 279,146 individuals. The Florida Healthy Kids Program also offers full pay buy-in above 200% of the FPL; premiums of \$110 per month per member.
- Added Medikids Program to provide coverage for children from birth to age 5 in families with incomes up to 200% of the FPL; provides coverage for an additional 33,343 children. The plan received HCFA (CMS) approval on September 8, 1998.
- Added Children's Medical Services (CMS) Network program to provide coverage for individuals under the age of 18 with special health care needs in families with incomes up to 200% of the FPL; provides coverage for an additional 9,751 eligibles. CMS allows individuals with special needs to have a specialist as their primary care physician without any special authorization.
- Shifted coverage from MediKids and CMS Network to Medicaid for children birth to age one effective July 1, 2000.
- Received HCFA approval in March 2000 to implement a dental pilot program in Palm Beach and Dade counties.

SOUTHERN REGION MEDICAID PROFILE

Children's Health Insurance Program: A Combination expansion of Medicaid and Florida Healthy Kids (Title XXI) (Continued)

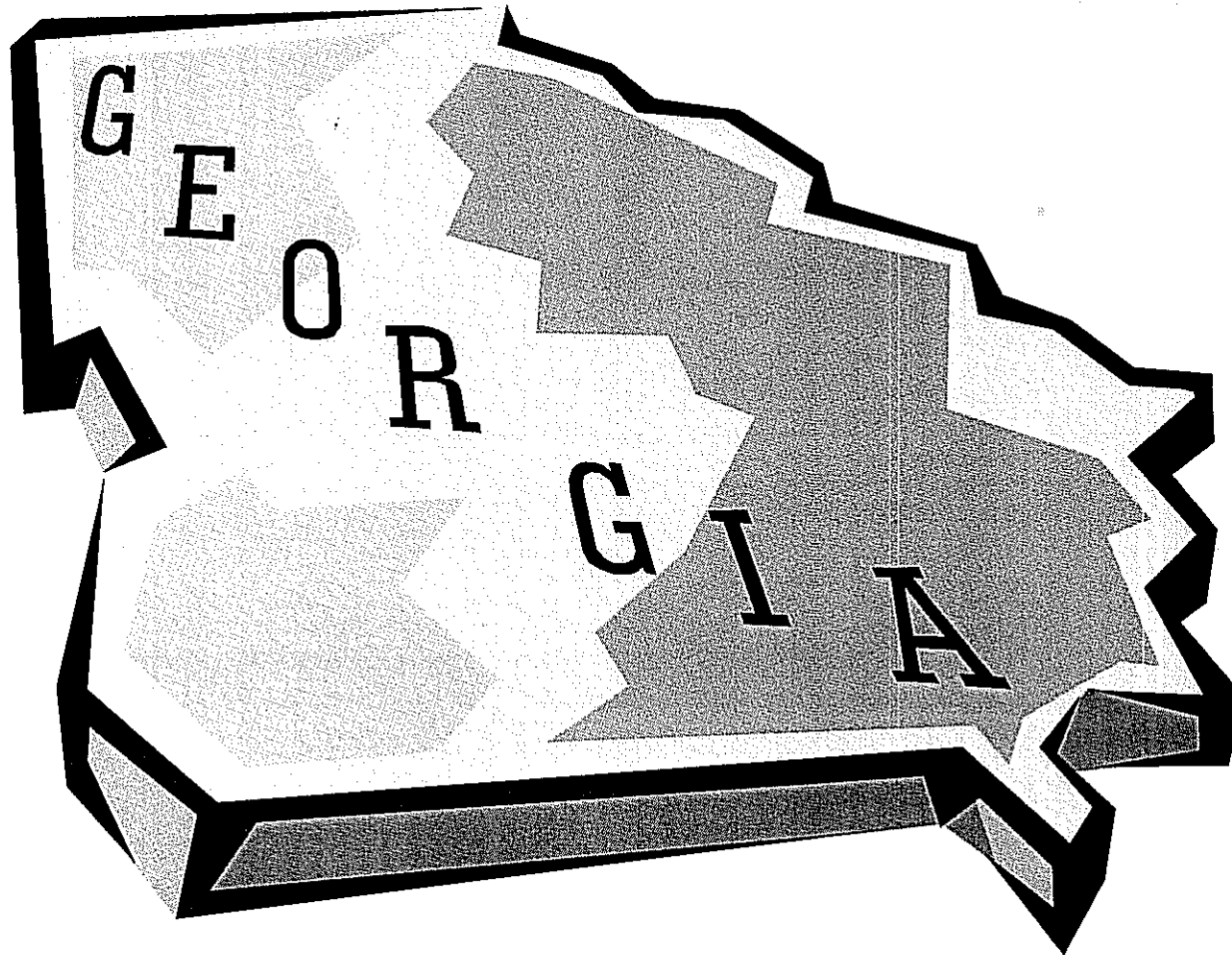
- Expanded Medicaid coverage to enroll children under age 1 with family incomes between 185% and 200% of the FPL and eliminated coverage for this group under MediKids and Title XXI CMS Network.
- The four programs combined provide health care coverage to approximately 323,513 individuals as of September 2004.

Tobacco Settlement

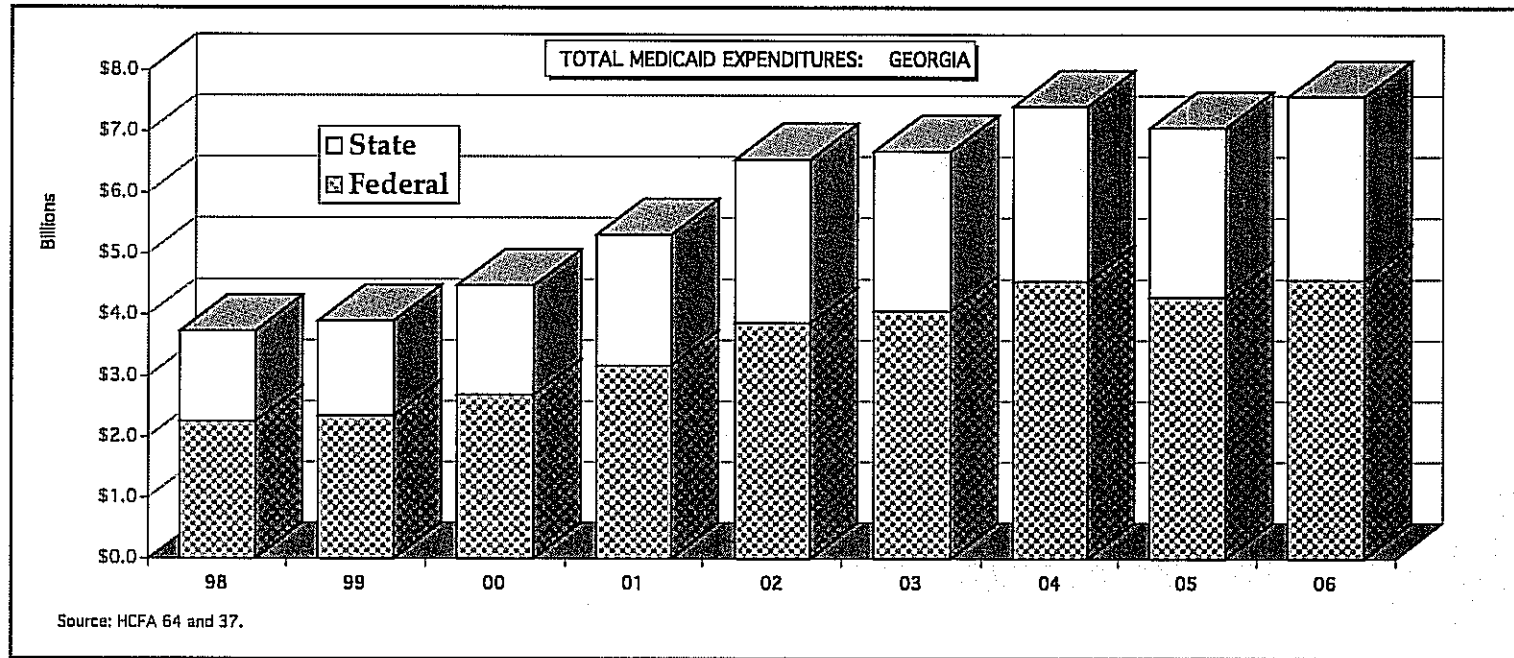
- The state expects to receive approximately \$18.6 billion through 2032.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$4.2 billion.
- The state has allocated these funds and compares with the U.S. as follows:

| | FL | % | U.S. | % |
|--------------------------------|-----------------|--------|------------------|--------|
| Tobacco use prevention | \$161,924,000 | 3.9% | \$1,813,423,000 | 4.6% |
| Health services | \$1,215,061,000 | 29.2% | \$11,824,057,000 | 29.9% |
| Long-term care | \$200,988,000 | 4.8% | \$2,200,066,000 | 5.6% |
| Health research | \$40,242,000 | 1.0% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$839,489,000 | 20.1% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$1,700,000,000 | 40.8% | \$7,636,209,000 | 19.3% |
| Other | \$10,600,000 | 0.3% | \$10,048,868,000 | 25.4% |
| Total | \$4,168,304,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$3,487,596,382 | \$3,673,705,109 | \$4,321,247,201 | \$5,037,084,881 | \$6,241,211,454 | \$6,300,856,479 | \$7,044,051,167 | \$6,644,841,000 | \$7,157,780,000 | 9.4% | 105.2% |
| Federal Share | \$2,126,785,792 | \$2,226,304,953 | \$2,592,499,901 | \$3,012,109,157 | \$3,684,679,643 | \$3,864,544,309 | \$4,368,498,042 | \$4,061,590,000 | \$4,342,266,000 | 9.3% | 104.2% |
| State Share | \$1,360,810,590 | \$1,447,400,156 | \$1,728,747,300 | \$2,024,975,724 | \$2,556,531,811 | \$2,436,312,170 | \$2,675,553,125 | \$2,583,251,000 | \$2,815,514,000 | 9.5% | 106.9% |
| Administrative Costs | \$247,246,597 | \$230,872,445 | \$158,819,383 | \$277,430,878 | \$302,658,380 | \$380,246,357 | \$368,841,269 | \$417,811,000 | \$418,917,000 | 6.8% | 69.4% |
| Federal Share | \$133,995,592 | \$126,008,191 | \$96,825,459 | \$155,839,950 | \$180,016,435 | \$205,358,125 | \$184,173,084 | \$235,695,000 | \$236,355,000 | 7.4% | 76.4% |
| State Share | \$113,251,005 | \$104,864,254 | \$61,993,924 | \$121,590,928 | \$122,641,945 | \$174,888,232 | \$184,668,185 | \$182,116,000 | \$182,562,000 | 6.2% | 61.2% |
| Admin. Costs as % of Payments | 7.09% | 6.28% | 3.68% | 5.51% | 4.85% | 6.03% | 5.24% | 6.29% | 5.85% | | |
| Federal Match Rate* | 60.84% | 60.47% | 59.88% | 59.67% | 59.00% | 59.60% | 59.58% | 60.44% | 60.60% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|----------------------|-----------------|-----------------|----------------|---------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$1,360,810,590 | \$2,673,421,575 | \$113,251,005 | \$184,668,185 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$2,131,550 | \$0 | \$0 |
| Donations | \$0 | \$0 | \$0 | \$0 |
| Other (License Fees) | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$1,360,810,590 | \$2,675,553,125 | \$113,251,005 | \$184,668,185 |

Provider Taxes Currently in Place (FFY 04)

| | Tax Rate | Amount |
|-----------------------------|----------|-------------|
| Ambulance | | \$2,131,550 |
| Medical | | \$0 |
| Nursing (Registered) | | \$0 |
| Nursing Home Administrators | | \$0 |
| Pharmacy | | \$0 |
| Other professionals | | \$0 |
| Total | | \$2,131,550 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Hospitals | \$342,433,313 | \$391,688,680 | \$402,093,625 | \$418,024,133 | \$433,162,860 | \$366,149,330 | \$424,567,736 | \$418,830,000 | \$431,756,000 | 1.2% |
| Mental Hospitals | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a |
| Total | \$342,433,313 | \$391,688,680 | \$402,093,625 | \$418,024,133 | \$433,162,860 | \$366,149,330 | \$424,567,736 | \$418,830,000 | \$431,756,000 | 1.2% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|--------------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | \$424 | 32.5% |
| Payment Standard (Income Ceiling) | \$784 | 60.0% |
| Maximum Payment | \$280 | 21.4% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | \$375 | |
| Resource Standard | \$4,100 | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and infants | | 185% to 200% |
| Children 2 to 5 | | 133.0% |
| Children 6 to 19 | | 100.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$946 | 90.9% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

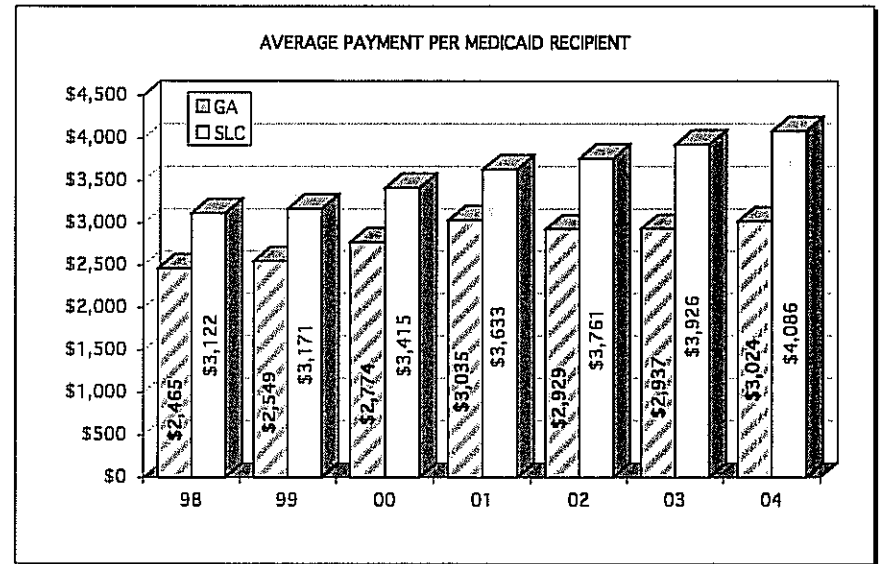
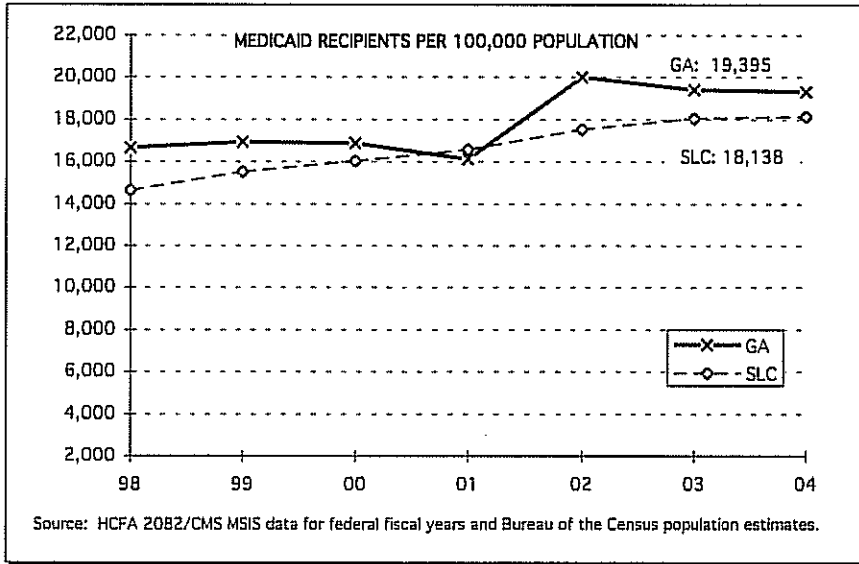
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 8,829,383 | 9 |
| Per capita personal income** | \$30,051 | 34 |
| Median household income** | \$43,535 | 23 |
| Population below Federal Poverty Level on July 1, 2003* | 1,059,526 | |
| Percent of total state population | 12.0% | 18 |
| Population without health insurance coverage* | 1,409,000 | 7 |
| Percent of total state population | 16.0% | 14 |
| Recipients of Food Stamps*** | 847,886 | 9 |
| Households receiving Food Stamps*** | 344,704 | 9 |
| Total value of issuance*** | \$874,043,065 | 9 |
| Average monthly benefit per recipient | \$85.90 | 9 |
| Average monthly benefit per household | \$211.30 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 135,515 | 8 |
| Total TANF payments**** | \$153,918,887 | 41 |
| Average monthly payment per recipient | \$94.65 | 41 |
| Maximum monthly payment per family of 3 | \$208.00 | 39 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| 01. General Hospital | 161,694 | 204,883 | 211,400 | 202,621 | 227,976 | 226,188 | 237,984 | 6.7% |
| 02. Mental Hospital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 40,390 | 39,720 | 40,326 | 39,591 | 41,616 | 41,047 | 43,365 | 1.2% |
| 04. Intermediate Care for Mentally Retarded | 1,728 | 1,444 | 1,414 | 1,369 | 1,317 | 1,317 | 1,399 | -3.5% |
| 05. Physician Services | 872,557 | 894,636 | 909,574 | 901,368 | 1,184,321 | 1,176,878 | 1,233,618 | 5.9% |
| 06. Dental Services | 229,794 | 230,903 | 227,960 | 230,533 | 393,445 | 392,931 | 409,225 | 10.1% |
| 07. Other Practitioners | 132,412 | 135,649 | 132,286 | 138,583 | 190,431 | 190,016 | 198,799 | 7.0% |
| 08. Outpatient Hospital | 540,218 | 543,482 | 578,918 | 580,333 | 731,565 | 728,494 | 763,870 | 5.9% |
| 09. Clinic Services | 60,632 | 356,625 | 371,269 | 364,029 | 480,661 | 479,388 | 499,570 | 42.1% |
| 10. Lab and X-Ray | 167,860 | 164,840 | 176,254 | 177,257 | 221,980 | 220,811 | 231,597 | 5.5% |
| 11. Home Health | 84,820 | 20,108 | 18,049 | 19,719 | 20,909 | 20,766 | 22,527 | -19.8% |
| 12. Prescribed Drugs | 805,923 | 841,024 | 847,730 | 856,797 | 1,076,904 | 1,073,974 | 1,073,974 | 4.9% |
| 13. Family Planning | 107,414 | 0 | 0 | 0 | 0 | 0 | 1,026 | -53.9% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 287,928 | 0 | 0 | 0 | 0 | 0 | 2,751 | -53.9% |
| 15. Other Care | 137,889 | 175,543 | 179,440 | 190,418 | 247,982 | 246,583 | 257,835 | 11.0% |
| 16. Personal Care Support Services | 194,528 | 203,339 | 216,809 | 236,696 | 316,160 | 314,228 | 328,384 | 9.1% |
| 17. Home/Community Based Waiver Services | 15,251 | 0 | 0 | 0 | 0 | 0 | 146 | -53.9% |
| 18. Prepaid Health Care | 78,463 | 33,660 | 22,459 | 0 | 0 | 0 | 1,286 | -49.6% |
| 19. Primary Care Case Management (PCCM) Services | 879,554 | 947,607 | 59,742 | 958,577 | 1,278,572 | 1,277,982 | 1,329,589 | 7.1% |
| Total* | 1,221,978 | 1,267,798 | 1,289,795 | 1,256,990 | 1,637,329 | 1,626,030 | 1,705,321 | 5.7% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual Change</u> | <u>Share of Total FFY 04</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|------------------------------|
| 01. General Hospital | \$668,075,530 | \$706,922,816 | \$770,287,080 | \$815,115,674 | \$1,029,166,797 | \$1,015,613,196 | \$1,098,127,281 | 8.6% | 21.3% |
| 02. Mental Hospital | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$603,835,584 | \$639,253,258 | \$746,513,288 | \$733,447,215 | \$806,319,046 | \$805,696,973 | \$876,252,384 | 6.4% | 17.0% |
| 04. Intermediate Care for Mentally Retarded | \$107,450,025 | \$108,475,359 | \$109,493,463 | \$110,190,694 | \$110,193,235 | \$110,193,235 | \$121,198,871 | 2.0% | 2.4% |
| 05. Physician Services | \$367,096,683 | \$392,476,463 | \$423,743,500 | \$449,717,740 | \$592,889,173 | \$590,052,294 | \$636,490,174 | 9.6% | 12.3% |
| 06. Dental Services | \$32,076,080 | \$40,855,499 | \$47,014,714 | \$71,867,392 | \$141,126,963 | \$140,977,324 | \$148,701,675 | 29.1% | 2.9% |
| 07. Other Practitioners | \$18,735,368 | \$18,432,417 | \$19,195,790 | \$20,329,582 | \$30,601,958 | \$30,571,344 | \$32,883,807 | 9.8% | 0.6% |
| 08. Outpatient Hospital | \$266,142,731 | \$311,143,950 | \$341,117,230 | \$370,631,403 | \$496,845,562 | \$494,999,358 | \$532,123,450 | 12.2% | 10.3% |
| 09. Clinic Services | \$114,306,637 | \$136,870,005 | \$111,650,111 | \$109,400,936 | \$155,863,139 | \$155,673,644 | \$168,908,645 | 6.7% | 3.3% |
| 10. Lab and X-Ray | \$12,445,037 | \$14,090,357 | \$16,875,460 | \$16,571,798 | \$21,024,404 | \$20,976,589 | \$22,618,352 | 10.5% | 0.4% |
| 11. Home Health | \$42,656,324 | \$71,871,270 | \$76,206,271 | \$87,693,524 | \$101,040,695 | \$100,917,001 | \$108,436,973 | 16.8% | 2.1% |
| 12. Prescribed Drugs | \$370,562,935 | \$462,992,436 | \$580,612,920 | \$655,515,772 | \$749,552,199 | \$749,304,575 | \$805,825,995 | 13.8% | 15.6% |
| 13. Family Planning | \$27,091,933 | \$0 | \$0 | \$0 | \$0 | \$0 | \$911,882 | -43.2% | 0.0% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$25,513,441 | \$0 | \$0 | \$0 | \$0 | \$0 | \$858,752 | -43.2% | 0.0% |
| 15. Other Care | \$27,214,508 | \$159,735,131 | \$177,025,081 | \$209,266,762 | \$310,564,683 | \$310,195,379 | \$327,768,497 | 51.4% | 6.4% |
| 16. Personal Care Support Services | \$101,836,605 | \$115,779,941 | \$125,074,607 | \$142,839,088 | \$217,765,580 | \$216,803,781 | \$231,897,433 | 14.7% | 4.5% |
| 17. Home/Community Based Waiver Services | \$146,244,447 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,922,416 | -43.2% | 0.1% |
| 18. Prepaid Health Care | \$57,871,451 | \$29,808,317 | \$7,266,806 | \$0 | \$0 | \$0 | \$2,449,541 | -41.0% | 0.0% |
| 19. Primary Case Management (PCCM) Services | \$23,190,993 | \$23,278,773 | \$25,826,967 | \$22,679,694 | \$33,051,927 | \$33,048,426 | \$35,714,891 | 7.5% | 0.7% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$3,012,346,312 | \$3,231,985,992 | \$3,577,903,288 | \$3,815,267,274 | \$4,796,005,361 | \$4,775,023,119 | \$5,156,091,019 | 9.4% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLIC | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|--------------------|
| | | | | | | | | | <u>Avg. FFY 04</u> |
| 01. General Hospital | \$4,131.73 | \$3,450.37 | \$3,643.74 | \$4,022.86 | \$4,514.36 | \$4,490.13 | \$4,614.29 | 1.9% | -5.4% |
| 02. Mental Hospital | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$14,950.13 | \$16,093.99 | \$18,511.96 | \$18,525.60 | \$19,375.22 | \$19,628.64 | \$20,206.44 | 5.1% | -7.4% |
| 04. Intermediate Care for Mentally Retarded | \$62,181.73 | \$75,121.44 | \$77,435.26 | \$80,489.92 | \$83,669.88 | \$83,669.88 | \$86,632.50 | 5.7% | 4.2% |
| 05. Physician Services | \$420.71 | \$438.70 | \$465.87 | \$498.93 | \$500.62 | \$501.37 | \$515.95 | 3.5% | -2.9% |
| 06. Dental Services | \$139.59 | \$176.94 | \$206.24 | \$311.74 | \$358.70 | \$358.78 | \$363.37 | 17.3% | 9.6% |
| 07. Other Practitioners | \$141.49 | \$135.88 | \$145.11 | \$146.70 | \$160.70 | \$160.89 | \$165.41 | 2.6% | -6.4% |
| 08. Outpatient Hospital | \$492.66 | \$572.50 | \$589.23 | \$638.65 | \$679.15 | \$679.48 | \$696.62 | 5.9% | 17.5% |
| 09. Clinic Services | \$1,885.25 | \$383.79 | \$300.73 | \$300.53 | \$324.27 | \$324.73 | \$338.11 | -24.9% | -53.9% |
| 10. Lab and X-Ray | \$74.14 | \$85.48 | \$95.75 | \$93.49 | \$94.71 | \$95.00 | \$97.66 | 4.7% | -46.6% |
| 11. Home Health | \$502.90 | \$3,574.26 | \$4,222.19 | \$4,447.16 | \$4,832.40 | \$4,859.72 | \$4,813.64 | 45.7% | 130.5% |
| 12. Prescribed Drugs | \$459.80 | \$550.51 | \$684.90 | \$765.08 | \$696.03 | \$697.69 | \$750.32 | 8.5% | -44.3% |
| 13. Family Planning | \$252.22 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$888.77 | 23.4% | 24.9% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$88.61 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$312.16 | 23.4% | -27.0% |
| 15. Other Care | \$197.37 | \$909.95 | \$986.54 | \$1,098.99 | \$1,252.37 | \$1,257.98 | \$1,271.23 | 36.4% | -36.6% |
| 16. Personal Care Support Services | \$523.51 | \$569.39 | \$576.89 | \$603.47 | \$688.78 | \$689.96 | \$706.18 | 5.1% | -47.6% |
| 17. Home/Community Based Waiver Services | \$9,589.17 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$33,715.18 | 23.3% | 989.7% |
| 18. Prepaid Health Care | \$737.56 | \$885.57 | \$323.56 | \$0.00 | \$0.00 | \$0.00 | \$1,904.78 | 17.1% | 60.4% |
| 19. Primary Care Case Management (PCCM) Services | \$26.37 | \$24.57 | \$432.31 | \$23.66 | \$25.85 | \$25.86 | \$26.86 | 0.3% | -12.8% |
| Total (Average) | \$2,465.14 | \$2,549.29 | \$2,774.01 | \$3,035.24 | \$2,929.16 | \$2,936.61 | \$3,023.53 | 3.5% | -26.0% |

TOTAL PER CAPITA EXPENDITURES

| | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|------|-------|
| \$509.23 | \$521.31 | \$586.23 | \$682.38 | \$799.35 | \$796.90 | \$839.57 | 8.7% | -4.2% |
|----------|----------|----------|----------|----------|----------|----------|------|-------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 are projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|----------------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 473,537 | 382,721 | 381,281 | 515,762 | 504,757 | 485,294 | 511,502 | 1.3% | 30.0% |
| Poverty Related Eligibles | 536,420 | 550,472 | 549,926 | 501,780 | 593,853 | 465,035 | 495,581 | -1.3% | 29.1% |
| Medically Needy | 841 | 6,238 | 8,994 | 9,425 | 10,313 | 9,346 | 9,777 | 50.5% | 0.6% |
| Other Eligibles | 179,778 | 242,242 | 243,330 | 230,023 | 265,977 | 243,422 | 256,842 | 6.1% | 15.1% |
| Maintenance Assistance Status Unknown | 31,402 | 86,125 | 106,264 | 0 | 262,429 | 422,933 | 431,619 | 54.8% | 25.3% |
| Total* | 1,221,978 | 1,267,798 | 1,289,795 | 1,256,990 | 1,637,329 | 1,626,030 | 1,705,321 | 5.7% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 315,460 | 311,954 | 319,038 | 322,510 | 341,408 | 317,289 | 335,704 | 1.0% | 19.7% |
| Children | 666,385 | 667,192 | 660,917 | 685,118 | 844,963 | 654,323 | 694,245 | 0.7% | 40.7% |
| Foster Care Children | 6,508 | 8,833 | 11,519 | 15,932 | 19,550 | 16,380 | 17,132 | 17.5% | 1.0% |
| Adults | 202,223 | 193,694 | 192,057 | 233,430 | 252,563 | 215,105 | 227,420 | 2.0% | 13.3% |
| Basis of Eligibility Unknown | 31,402 | 86,125 | 106,264 | 0 | 178,845 | 422,933 | 430,820 | 54.7% | 25.3% |
| Total* | 1,221,978 | 1,267,798 | 1,289,795 | 1,256,990 | 1,637,329 | 1,626,030 | 1,705,321 | 5.7% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 64,474 | 73,941 | 77,969 | 77,756 | 81,499 | 51,182 | 55,260 | -2.5% | 3.2% |
| Age 1 to 5 | 255,052 | 259,200 | 262,334 | 269,241 | 320,543 | 274,720 | 290,398 | 2.2% | 17.0% |
| Age 6 to 14 | 280,857 | 289,203 | 283,009 | 293,690 | 341,811 | 288,891 | 305,871 | 1.4% | 17.9% |
| Age 15 to 20 | 129,665 | 129,614 | 127,714 | 136,503 | 147,669 | 128,648 | 136,289 | 0.8% | 8.0% |
| Age 21 to 44 | 225,920 | 215,444 | 214,751 | 255,716 | 255,797 | 238,861 | 252,297 | 1.9% | 14.8% |
| Age 45 to 64 | 87,177 | 85,757 | 89,302 | 96,438 | 100,513 | 96,465 | 101,773 | 2.6% | 6.0% |
| Age 65 to 74 | 53,477 | 50,415 | 50,357 | 50,254 | 50,242 | 49,145 | 52,048 | -0.5% | 3.1% |
| Age 75 to 84 | 49,912 | 45,807 | 46,076 | 45,856 | 45,940 | 45,019 | 47,681 | -0.8% | 2.8% |
| Age 85 and Over | 68,219 | 32,292 | 32,019 | 31,536 | 30,886 | 30,166 | 32,317 | -11.7% | 1.9% |
| Age Unknown | 7,225 | 86,125 | 106,264 | 0 | 262,429 | 422,933 | 431,387 | 97.7% | 25.3% |
| Total* | 1,221,978 | 1,267,798 | 1,289,795 | 1,256,990 | 1,637,329 | 1,626,030 | 1,705,321 | 5.7% | 100.0% |
| By Race | | | | | | | | | |
| White | 443,904 | 460,359 | 468,202 | 456,330 | 560,642 | 591,789 | 620,269 | 5.7% | 36.4% |
| Black | 647,000 | 670,248 | 681,641 | 664,452 | 697,261 | 860,123 | 900,444 | 5.7% | 52.8% |
| Hispanic, American Indian or Asian | 51,996 | 53,591 | 54,364 | 53,112 | 23,361 | 68,331 | 71,242 | 5.4% | 4.2% |
| Other/Unknown | 79,078 | 83,600 | 85,588 | 83,096 | 356,065 | 105,787 | 113,366 | 6.2% | 6.6% |
| Total* | 1,221,978 | 1,267,798 | 1,289,795 | 1,256,990 | 1,637,329 | 1,626,030 | 1,705,321 | 5.7% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 748,398 | 776,857 | 790,381 | 770,183 | 826,934 | 997,648 | 1,044,558 | 5.7% | 61.3% |
| Male | 466,356 | 483,598 | 491,992 | 479,533 | 547,966 | 619,084 | 648,589 | 5.7% | 38.0% |
| Unknown | 7,224 | 7,343 | 7,422 | 7,274 | 262,429 | 9,298 | 12,174 | 9.1% | 0.7% |
| Total* | 1,221,978 | 1,267,798 | 1,289,795 | 1,256,990 | 1,637,329 | 1,626,030 | 1,705,321 | 5.7% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 are projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$1,377,872,299 | \$1,382,020,426 | \$1,498,547,853 | \$1,730,796,612 | \$2,030,818,708 | \$2,004,827,322 | \$2,169,428,914 | 7.9% | 42.1% |
| Poverty Related Eligibles | \$689,569,489 | \$655,518,207 | \$682,763,454 | \$693,186,999 | \$822,349,971 | \$732,937,216 | \$803,151,496 | 2.6% | 15.6% |
| Medically Needy | \$3,794,773 | \$36,247,519 | \$59,470,116 | \$67,165,688 | \$83,707,979 | \$81,131,974 | \$86,575,269 | 68.4% | 1.7% |
| Other Eligibles | \$889,614,162 | \$1,103,033,147 | \$1,246,534,428 | \$1,324,117,975 | \$1,564,443,172 | \$1,504,543,517 | \$1,629,860,337 | 10.6% | 31.6% |
| Maintenance Assistance Status Unknown | \$51,495,589 | \$55,166,693 | \$90,587,437 | \$0 | \$294,685,531 | \$451,583,090 | \$467,075,003 | 44.4% | 9.1% |
| Total* | \$3,012,346,312 | \$3,231,985,992 | \$3,577,903,288 | \$3,815,267,274 | \$4,796,005,361 | \$4,775,023,119 | \$5,156,091,019 | 9.4% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,896,108,233 | \$2,075,785,671 | \$2,329,126,304 | \$2,465,506,511 | \$2,812,930,628 | \$2,784,869,897 | \$3,020,722,134 | 8.1% | 58.6% |
| Children | \$582,740,389 | \$653,946,821 | \$672,141,195 | \$784,754,155 | \$986,664,537 | \$858,397,918 | \$932,919,304 | 8.2% | 18.1% |
| Foster Care Children | \$23,957,528 | \$28,720,088 | \$36,080,606 | \$47,381,816 | \$68,432,271 | \$68,080,671 | \$72,557,443 | 20.3% | 1.4% |
| Adults | \$458,044,573 | \$418,366,719 | \$449,967,746 | \$517,624,792 | \$622,361,459 | \$612,091,543 | \$662,637,657 | 6.3% | 12.9% |
| Basis of Eligibility Unknown | \$51,495,589 | \$55,166,693 | \$90,587,437 | \$0 | \$305,616,466 | \$451,583,090 | \$467,254,481 | 44.4% | 9.1% |
| Total* | \$3,012,346,312 | \$3,231,985,992 | \$3,577,903,288 | \$3,815,267,274 | \$4,796,005,361 | \$4,775,023,119 | \$5,156,091,019 | 9.4% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$130,274,039 | \$198,686,682 | \$232,347,201 | \$259,039,763 | \$283,687,721 | \$212,181,705 | \$233,793,072 | 10.2% | 4.5% |
| Age 1 to 5 | \$256,674,945 | \$297,971,883 | \$307,812,480 | \$374,497,712 | \$458,485,978 | \$435,052,433 | \$470,033,682 | 10.6% | 9.1% |
| Age 6 to 14 | \$228,998,832 | \$250,164,339 | \$247,391,746 | \$290,344,739 | \$389,821,361 | \$362,410,418 | \$391,458,322 | 9.3% | 7.6% |
| Age 15 to 20 | \$229,873,552 | \$216,324,625 | \$227,688,839 | \$246,963,669 | \$313,540,556 | \$300,453,123 | \$325,654,197 | 6.0% | 6.3% |
| Age 21 to 44 | \$737,273,945 | \$731,522,593 | \$784,657,252 | \$876,280,104 | \$1,055,769,741 | \$1,035,505,967 | \$1,121,231,304 | 7.2% | 21.7% |
| Age 45 to 64 | \$507,321,902 | \$558,395,268 | \$637,519,329 | \$715,187,442 | \$853,355,081 | \$840,148,323 | \$907,663,303 | 10.2% | 17.6% |
| Age 65 to 74 | \$225,627,074 | \$246,120,546 | \$277,327,308 | \$282,896,200 | \$311,368,483 | \$309,288,549 | \$336,423,551 | 6.9% | 6.5% |
| Age 75 to 84 | \$302,572,083 | \$324,124,167 | \$376,233,367 | \$381,141,345 | \$415,373,977 | \$411,942,804 | \$448,252,249 | 6.8% | 8.7% |
| Age 85 and Over | \$372,731,195 | \$353,509,196 | \$396,338,329 | \$388,916,300 | \$419,916,932 | \$416,456,707 | \$455,007,073 | 3.4% | 8.8% |
| Age Unknown | \$20,998,745 | \$55,166,693 | \$90,587,437 | \$0 | \$294,685,531 | \$451,583,090 | \$466,574,266 | 67.7% | 9.0% |
| Total* | \$3,012,346,312 | \$3,231,985,992 | \$3,577,903,288 | \$3,815,267,274 | \$4,796,005,361 | \$4,775,023,119 | \$5,156,091,019 | 9.4% | 100.0% |
| By Race | | | | | | | | | |
| White | \$1,449,477,236 | \$1,551,407,326 | \$1,717,330,905 | \$1,809,275,320 | \$2,221,842,335 | \$2,270,445,253 | \$2,451,382,329 | 9.2% | 47.5% |
| Black | \$1,239,615,206 | \$1,329,788,662 | \$1,471,170,128 | \$1,510,584,335 | \$1,838,958,060 | \$1,905,641,933 | \$2,058,271,802 | 8.8% | 39.9% |
| Hispanic, American Indian or Asian | \$63,396,255 | \$68,451,192 | \$75,297,476 | \$66,573,712 | \$32,251,832 | \$86,243,777 | \$92,683,661 | 6.5% | 1.8% |
| Other/Unknown | \$259,857,615 | \$282,338,812 | \$314,104,779 | \$428,833,907 | \$702,953,134 | \$512,692,156 | \$553,753,227 | 13.4% | 10.7% |
| Total* | \$3,012,346,312 | \$3,231,985,992 | \$3,577,903,288 | \$3,815,267,274 | \$4,796,005,361 | \$4,775,023,119 | \$5,156,091,019 | 9.4% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$1,966,718,337 | \$2,110,137,286 | \$2,337,735,771 | \$2,481,626,198 | \$2,853,058,293 | \$3,113,011,405 | \$3,357,039,798 | 9.3% | 65.1% |
| Male | \$1,024,630,832 | \$1,100,266,426 | \$1,217,278,898 | \$1,329,487,630 | \$1,648,261,537 | \$1,653,168,411 | \$1,784,081,050 | 9.7% | 34.6% |
| Unknown | \$20,997,143 | \$21,582,280 | \$22,888,619 | \$4,153,446 | \$294,685,531 | \$8,843,303 | \$14,970,171 | -5.5% | 0.3% |
| Total* | \$3,012,346,312 | \$3,231,985,992 | \$3,577,903,288 | \$3,815,267,274 | \$4,796,005,361 | \$4,775,023,119 | \$5,156,091,019 | 9.4% | 100.0% |

Source: Health Care Financing Administration--Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 are projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) St.C Avg. FFY 04 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|---|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$2,909.75 | \$3,611.04 | \$3,930.30 | \$3,355.80 | \$4,023.36 | \$4,131.16 | \$4,241.29 | 6.5% | -31.2% |
| Poverty Related Eligibles | \$1,285.50 | \$1,190.83 | \$1,241.56 | \$1,381.46 | \$1,384.77 | \$1,576.09 | \$1,620.63 | 3.9% | -9.9% |
| Medically Needy | \$4,512.22 | \$5,810.76 | \$6,612.20 | \$7,126.33 | \$8,116.74 | \$8,680.93 | \$8,854.99 | 11.9% | 39.9% |
| Other Eligibles | \$4,948.40 | \$4,553.43 | \$5,122.81 | \$5,756.46 | \$5,881.87 | \$6,180.80 | \$6,345.77 | 4.2% | -11.5% |
| Maintenance Assistance Status Unknown | \$1,639.88 | \$640.54 | \$852.48 | \$0.00 | \$1,122.92 | \$1,067.74 | \$1,082.15 | -6.7% | -56.3% |
| Total | \$2,465.14 | \$2,549.29 | \$2,774.01 | \$3,035.24 | \$2,929.16 | \$2,936.61 | \$3,023.53 | 3.5% | -26.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$6,010.61 | \$6,654.14 | \$7,300.47 | \$7,644.74 | \$8,239.21 | \$8,777.08 | \$8,998.17 | 7.0% | -17.8% |
| Children | \$874.48 | \$980.15 | \$1,016.98 | \$1,145.43 | \$1,167.70 | \$1,311.89 | \$1,343.79 | 7.4% | -6.3% |
| Foster Care Children | \$3,681.24 | \$3,251.45 | \$3,132.27 | \$2,974.00 | \$3,500.37 | \$4,156.33 | \$4,235.20 | 2.4% | -37.4% |
| Adults | \$2,265.05 | \$2,159.94 | \$2,342.89 | \$2,217.47 | \$2,464.18 | \$2,845.55 | \$2,913.72 | 4.3% | 10.9% |
| Basis of Eligibility Unknown | \$1,639.88 | \$640.54 | \$852.48 | \$0.00 | \$1,708.83 | \$1,067.74 | \$1,084.57 | -6.7% | -56.3% |
| Total | \$2,465.14 | \$2,549.29 | \$2,774.01 | \$3,035.24 | \$2,929.16 | \$2,936.61 | \$3,023.53 | 3.5% | -26.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,020.57 | \$2,687.10 | \$2,979.99 | \$3,331.44 | \$3,480.87 | \$4,145.63 | \$4,230.78 | 13.1% | 20.7% |
| Age 1 to 5 | \$1,006.36 | \$1,149.58 | \$1,173.36 | \$1,390.94 | \$1,430.34 | \$1,583.62 | \$1,618.58 | 8.2% | -7.5% |
| Age 6 to 14 | \$815.36 | \$865.01 | \$874.15 | \$988.61 | \$1,140.46 | \$1,254.49 | \$1,279.82 | 7.8% | -22.4% |
| Age 15 to 20 | \$1,772.83 | \$1,668.99 | \$1,782.80 | \$1,809.22 | \$2,123.27 | \$2,335.47 | \$2,389.44 | 5.1% | -7.6% |
| Age 21 to 44 | \$3,263.43 | \$3,395.42 | \$3,653.80 | \$3,426.77 | \$4,127.37 | \$4,335.18 | \$4,444.09 | 5.3% | -10.2% |
| Age 45 to 64 | \$5,819.45 | \$6,511.37 | \$7,138.91 | \$7,416.03 | \$8,490.00 | \$8,709.36 | \$8,918.51 | 7.4% | -5.8% |
| Age 65 to 74 | \$4,219.14 | \$4,881.89 | \$5,507.22 | \$5,629.33 | \$6,197.37 | \$6,293.39 | \$6,463.72 | 7.4% | -15.6% |
| Age 75 to 84 | \$6,062.11 | \$7,075.87 | \$8,165.50 | \$8,311.70 | \$9,041.66 | \$9,150.42 | \$9,401.07 | 7.6% | -15.1% |
| Age 85 and Over | \$5,463.74 | \$10,947.27 | \$12,378.22 | \$12,332.45 | \$13,595.70 | \$13,805.50 | \$14,079.50 | 17.1% | -15.8% |
| Age Unknown | \$2,906.40 | \$640.54 | \$852.48 | \$0.00 | \$1,122.92 | \$1,067.74 | \$1,081.57 | -15.2% | -59.8% |
| Total | \$2,465.14 | \$2,549.29 | \$2,774.01 | \$3,035.24 | \$2,929.16 | \$2,936.61 | \$3,023.53 | 3.5% | -26.0% |
| By Race | | | | | | | | | |
| White | \$3,265.29 | \$3,369.99 | \$3,667.93 | \$3,964.84 | \$3,963.03 | \$3,836.58 | \$3,952.13 | 3.2% | -22.0% |
| Black | \$1,915.94 | \$1,984.02 | \$2,158.28 | \$2,273.43 | \$2,637.40 | \$2,215.55 | \$2,285.84 | 3.0% | -32.5% |
| Hispanic, American Indian or Asian | \$1,219.25 | \$1,277.29 | \$1,385.06 | \$1,253.46 | \$1,380.58 | \$1,262.15 | \$1,300.97 | 1.1% | -50.8% |
| Other/ Unknown | \$3,286.09 | \$3,377.26 | \$3,669.96 | \$5,160.70 | \$1,974.23 | \$4,846.46 | \$4,884.65 | 6.8% | 9.7% |
| Total | \$2,465.14 | \$2,549.29 | \$2,774.01 | \$3,035.24 | \$2,929.16 | \$2,936.61 | \$3,023.53 | 3.5% | -26.0% |
| By Sex | | | | | | | | | |
| Female | \$2,627.90 | \$2,716.25 | \$2,957.73 | \$3,222.13 | \$3,450.16 | \$3,120.35 | \$3,213.84 | 3.4% | -23.8% |
| Male | \$2,197.10 | \$2,275.17 | \$2,474.18 | \$2,772.46 | \$3,007.96 | \$2,670.35 | \$2,750.71 | 3.8% | -32.4% |
| Unknown | \$2,906.58 | \$2,939.16 | \$3,083.89 | \$571.00 | \$1,122.92 | \$951.10 | \$1,229.68 | -13.4% | -53.7% |
| Total | \$2,465.14 | \$2,549.29 | \$2,774.01 | \$3,035.24 | \$2,929.16 | \$2,936.61 | \$3,023.53 | 3.5% | -26.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 are projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Two Freedom of Choice Waivers, under Title XIX, Section 1915 (b), of the Social Security Act, established a coordinated network of Medicaid providers:

- Georgia Better Health Care Program (GBHC) provides a statewide case managed health care system for TANF, TANF-related, and SSI beneficiaries. It has been operating since October 1, 1993. The state was granted an extension on this program through July 2003. Approximately 1,053,733 Medicaid recipients (around 77% of all recipients) were enrolled as of June 2002. The waiver expired in December 2002.
- Non-emergency Transportation: Serves approximately 850,000 recipients, implemented in September 1999 and renewed through January 2004.

Georgia has 4 home and community-based waivers and 2 demonstration projects that have been approved by the Centers for Medicare and Medicaid Services (CMS). Some of the services provided to individuals in waiver programs include: personal support, skilled nursing, environmental modification services, specialized medical equipment and supplies, counseling, emergency response system, home health services, transportation, day care, day habilitation, personal care home, home delivered meals, respite care services, and case management services. They include:

- The Community Care Program: offers services to help elderly and/or functionally impaired or disabled individuals remain in the community or return to the community from a nursing home, served approximately 15,750 in FY 04.
- The Mental Retardation Waiver Program and the Community Habilitation and Support Services Waiver Program: helps individuals that have mental retardation or a developmental disability, current enrollment is approximately 2,553 in FY 04.
- The Model Waiver: covers private duty nursing and medical day care for individuals under age 21 that are respirator or oxygen dependent, served 190 in FY 04.
- The Independent Care Waiver Program (ICWP): helps adult Medicaid recipients with disabilities live in their own home or in the community instead of living in a hospital setting. The ICWP also includes services for adult Medicaid recipients with traumatic brain injuries, served 750 in FY 04.
- SOURCE (Service Options Using Resources in a Community Environment) Project: links primary care with an array of long-term health services in an individual's home or community to avoid preventable hospital and nursing home care for frail elderly and disabled individuals, served approximately 3,800 in FFY 04.
- SheperdCare: provides primary care through an outreach program that is managed by advanced practice nurses that coordinate medical care for severely disabled individuals at the Sheperd Clinic in Atlanta, served 95 in FY 04.

Managed Care

- Any Willing Provider Clause: Yes. Broad, applies only to Blue Cross/Blue Shield.

Coverage for Targeted Population

- The Uninsured: The State provides disproportionate share payments (DSH) for indigent care through the Indigent Care Trust Fund (ICTF), established in 1990.
- The Indigent Care Trust Fund (ICTF) II, implemented in May of 1997, was specifically designed to assist hospitals in small communities and rural areas. In FFY 04, trust fund payments to 89 participating hospitals totaled \$423,726,430 (does not include any state matching funds).

Cost Containment Measures

- Certificate of Need Program since 1979. Regulates introduction or expansion of new institutional health care facilities and services. 1994 legislation revised composition and duties of the Health Planning Review Board and sets procedures for appeals of certificate of need decisions.
- Privatization of administrative functions, including claims payment and the Medicaid Management Information System (MMIS) which maintains the Department's claims data.

SOUTHERN REGION MEDICAID PROFILE

Cost Containment Measures (Continued)

• In October 2002, the Department contracted with Express Scripts, Inc. (ESI) to provide pharmacy benefit management services for all prescription drug programs administered through the Georgia Division of Medical Assistance, and include Medicaid, PeachCare, the State Health Plan, and the Board of Regents Health Plan.

Medicaid

- 37 optional services are offered.
- Non-Emergency Transportation (NET) Broker Program was implemented in 1998, and replaced direct providers of NET services with a broker to administer services to recipients. Payments to brokers will be made on a capitated rate based on the number of Medicaid eligibles in one of the five regions.
- Enacted legislation in 2000 that exempted durable medical equipment from state sales and use tax if paid for directly by Medicare or Medicaid.
- Enacted legislation in 2001 that requires Medicaid to provide coverage to women that have been screened and diagnosed with breast or cervical cancer (Federally mandated by the Breast and Cervical Cancer Prevention and Treatment Act of 2000).
- Amended the Medicaid program in 2002 to provide services as follows :
 - Implementation of prior authorization for certain drugs.
 - Establishment of a new preferred drug list.
 - Increased reimbursement rates for inpatient hospital providers.
 - Adjusted case-mix reimbursement rates for nursing-home providers.
 - Increased reimbursement rates for physicians and dentists.
 - Extended Medicaid coverage for traumatic burn care medical services.
 - Eliminated the optional second year of Medicaid for people who are making the transition from TANF eligibility to work.
- For FY 05, proposed changes in the Medicaid Program due to budget cuts as follows:
 - Reduced inpatient hospital reimbursement rates by 0.7% for outlier payments.
 - Reduced the cap applied to outpatient hospital reimbursement rates.
 - Modified the payment methodology for nursing home services by reducing the growth rate allowance used to compute payments from 6.16% to 5.06%.
 - Eliminated the supplemental dispensing fee paid for generic drugs.

Children's Health Insurance Program: State Designed Plan

- The state initiated and expanded health insurance coverage for the Children's Health Insurance Program with funds made available in the Balanced Budget Act of 1997. State officials estimate that Georgia has 299,000 uninsured children/adolescents at the current time.
- CHIP in Georgia is called "PeachCare for Kids." The program is administered by the state Medicaid agency, but as a separate program and not an expansion of Medicaid. The program was approved by HCFA on September 3, 1998. As of September 2004, approximately 180,000 children/adolescents had received services under the PeachCare Program. CMS approved an amendment in February 2002 that allows an additional exception to Georgia's 3 month waiting period. The new exception applies to families who have dropped high-cost, private insurance that cost more than 5 percent of the family's income.
- Uninsured children/adolescents will be eligible for PeachCare benefits if their families' incomes are less than or equal to 235% of the FPL.
- Families with children from birth to 18 years of age will be charged a monthly premium from \$10 to \$70 depending on the number of children enrolled and family income.
- Children/adolescents enrolled in PeachCare for Kids have the option to use the primary care case management program or enroll in a managed care organization.

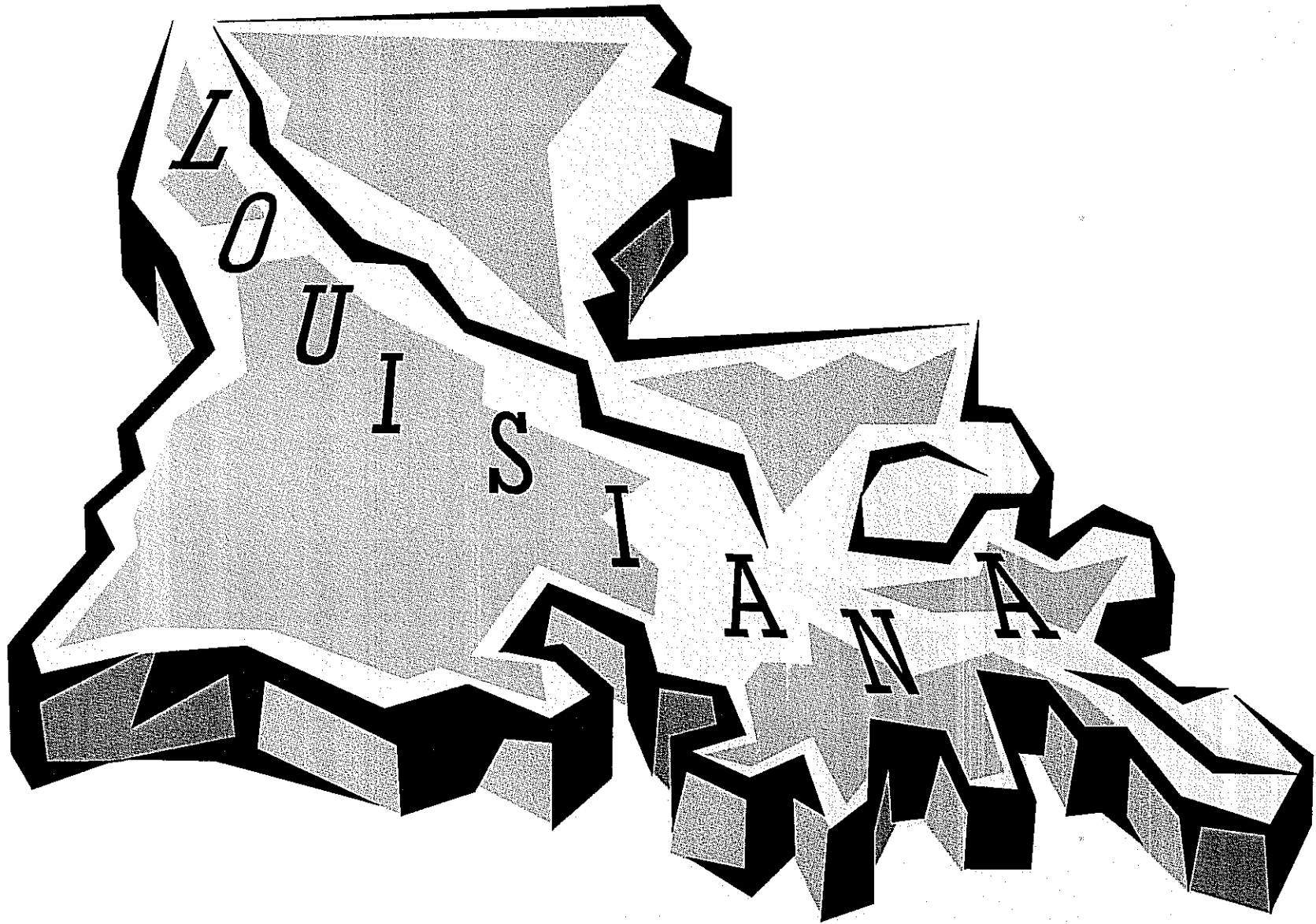
SOUTHERN REGION MEDICAID PROFILE

Tobacco Settlement

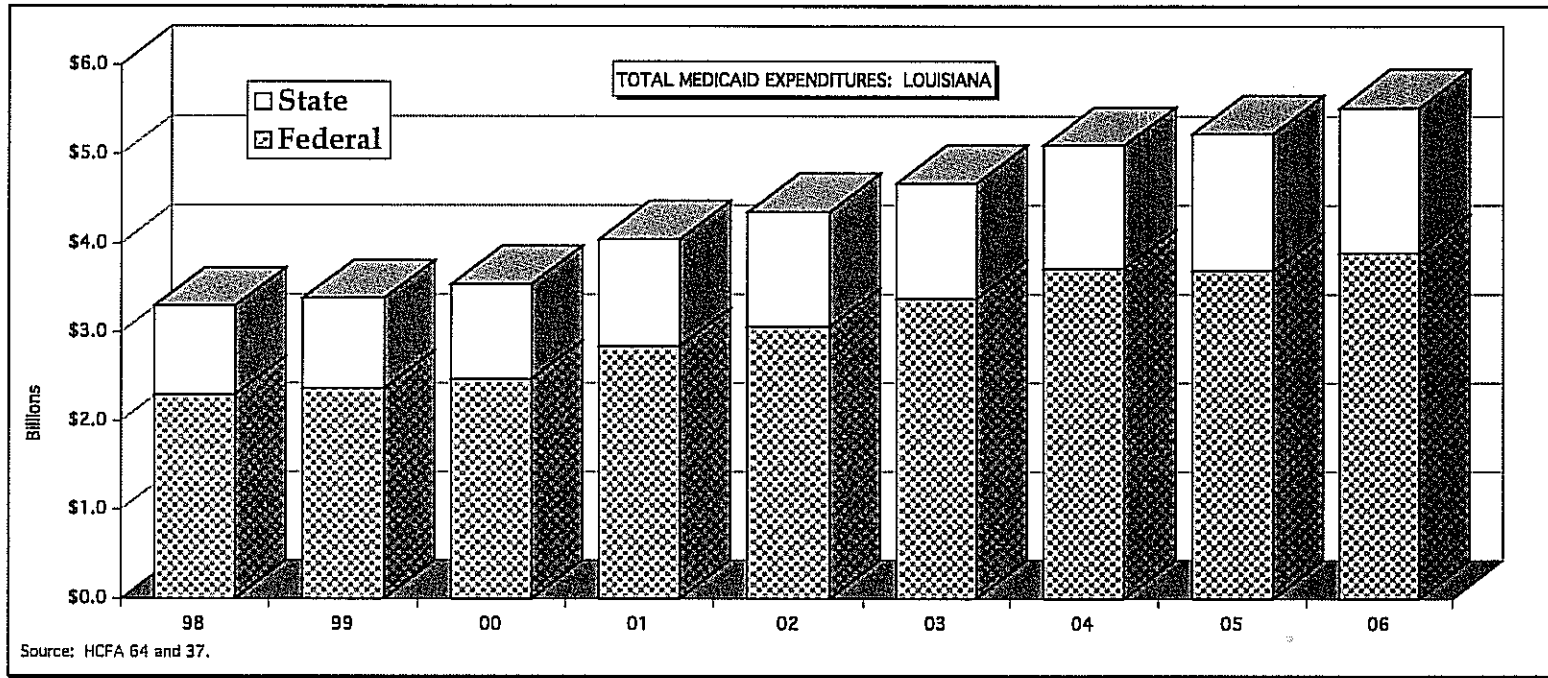
- The state expects to receive approximately \$4.81 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$642.9 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | GA | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$64,558,000 | 10.0% | \$1,813,423,000 | 4.6% |
| Health services | \$308,024,000 | 47.9% | \$11,824,057,000 | 29.9% |
| Long-term care | \$20,652,000 | 3.2% | \$2,200,066,000 | 5.6% |
| Health research | \$16,220,000 | 2.5% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$233,479,000 | 36.3% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$0 | 0.0% | \$7,636,209,000 | 19.3% |
| Other | \$0 | 0.0% | \$10,048,868,000 | 25.4% |
| Total | \$642,933,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments* | \$3,200,211,547 | \$3,282,146,476 | \$3,443,282,971 | \$3,942,492,295 | \$4,220,008,399 | \$4,510,559,559 | \$4,933,031,400 | \$5,099,638,000 | \$5,365,925,000 | 6.7% | 67.7% |
| Federal Share | \$2,243,759,832 | \$2,310,956,891 | \$2,422,693,898 | \$2,785,236,446 | \$2,980,108,561 | \$3,282,205,273 | \$3,623,928,889 | \$3,622,781,000 | \$3,812,953,000 | 6.9% | 69.9% |
| State Share | \$956,451,715 | \$971,189,585 | \$1,020,589,073 | \$1,157,255,849 | \$1,239,899,838 | \$1,228,354,286 | \$1,309,102,511 | \$1,476,857,000 | \$1,552,972,000 | 6.2% | 62.4% |
| Administrative Costs | \$98,638,983 | \$100,826,708 | \$99,694,716 | \$107,688,302 | \$136,430,738 | \$161,791,590 | \$165,305,982 | \$129,815,000 | \$155,258,000 | 5.8% | 57.4% |
| Federal Share | \$54,423,948 | \$58,392,000 | \$55,200,964 | \$59,333,150 | \$88,161,061 | \$99,329,586 | \$96,671,081 | \$73,625,000 | \$88,056,000 | 6.2% | 61.8% |
| State Share | \$44,215,035 | \$42,434,708 | \$44,493,752 | \$48,355,152 | \$48,269,677 | \$62,462,004 | \$68,634,901 | \$56,190,000 | \$67,202,000 | 5.4% | 52.0% |
| Admin. Costs as % of Payments | 3.08% | 3.07% | 2.90% | 2.73% | 3.23% | 3.59% | 3.35% | 2.55% | 2.89% | | |
| Federal Match Rate* | 70.03% | 70.37% | 70.32% | 70.53% | 70.30% | 71.28% | 70.09% | 69.60% | 69.26% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

*Medicaid payments have been adjusted to remove IGT Funds that were deposited into trust as follows: FFY 01 \$306,381,184; FFY02 \$744,448,177; and FFY03 \$5,255,274.

| STATE FINANCING | Payments | | Administration | |
|--------------------|---------------|-----------------|----------------|--------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$956,451,715 | \$1,212,379,258 | \$44,215,035 | \$68,634,901 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$96,723,253 | \$0 | \$0 |
| Donations | \$0 | \$0 | \$0 | \$0 |
| Other* | \$0 | \$1,479,026 | \$0 | \$0 |
| Total State Share | \$956,451,715 | \$1,309,102,511 | \$44,215,035 | \$68,634,901 |

*Licensing and Title Fees

| Provider Taxes Currently in Place (FFY 04) | | |
|--|-------------------------|--------------|
| | Tax Rate | Amount |
| Nursing Homes | \$6.27 per patient day | \$58,198,647 |
| MR Facilities | \$10.93 per patient day | \$32,269,374 |
| Pharmacy | \$0.10 per prescription | \$6,255,232 |
| Total | | \$96,723,253 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|
| General Hospitals | \$654,692,384 | \$696,535,584 | \$698,563,704 | \$794,907,241 | \$770,547,308 | \$730,035,964 | \$914,779,162 | \$759,854,000 | \$651,056,000 | -1.2% |
| Mental Hospitals | \$83,569,366 | \$77,341,613 | \$65,389,470 | \$77,400,268 | \$63,735,769 | \$95,212,813 | \$110,566,189 | \$95,889,000 | \$96,020,000 | 6.6% |
| Total | \$738,261,750 | \$773,877,197 | \$763,953,174 | \$872,307,509 | \$834,283,077 | \$825,248,777 | \$1,025,345,351 | \$855,743,000 | \$747,076,000 | -0.4% |

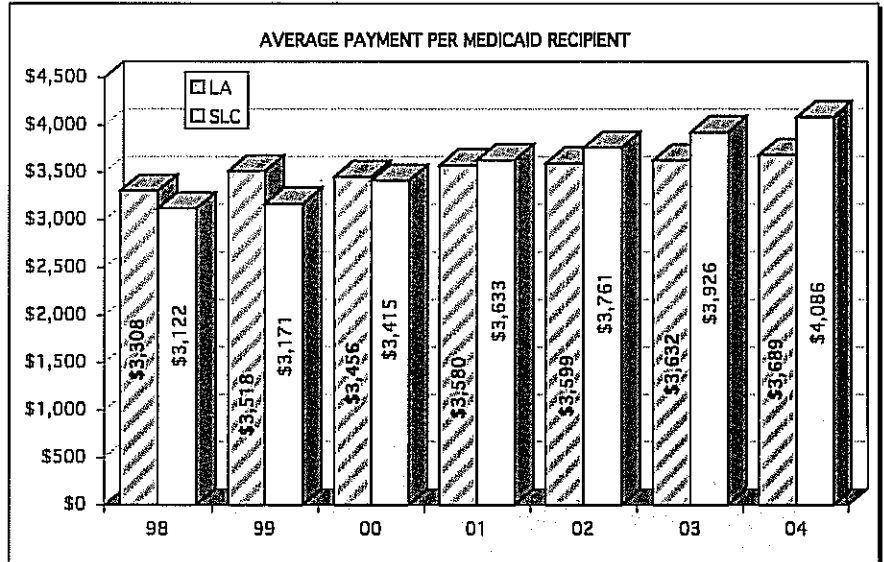
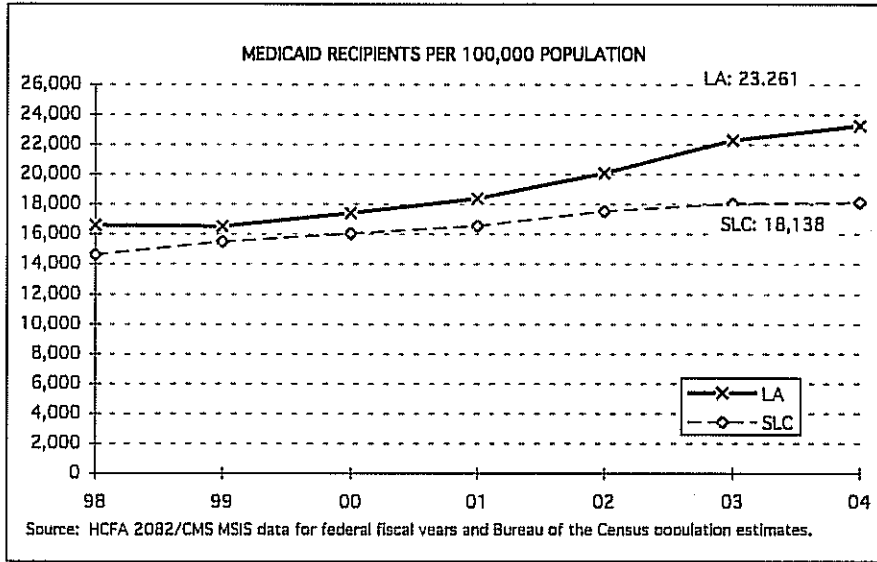
*Estimated.

| SELECTED ELIGIBILITY CRITERIA | | | | DEMOGRAPHIC DATA & POVERTY INDICATORS (2004) | | | |
|--|---------------|---------|---------------|---|---------------|----|--------------|
| At 10/1/04 | | | | | | | |
| TANF-Temporary Assistance for Needy Families (Family of 3) | | | % of FPL* | State population—July 1, 2004* | 4,515,770 | 24 | Rank in U.S. |
| Need Standard | | \$658 | 50.4% | | | | |
| Payment Standard | | \$240 | 18.4% | Per capita personal income** | \$27,581 | 42 | |
| Maximum Payment | | \$240 | 18.4% | Median household income** | \$34,307 | 47 | |
| Medically Needy Program (Family of 3) | | | | Population below Federal Poverty Level on July 1, 2003* | 763,165 | | |
| Income Eligibility Std | \$258 (Urban) | N/A | \$233 (Rural) | Percent of total state population | 16.9% | 4 | |
| Resource Standard | \$3,025 | N/A | N/A | | | | |
| Pregnant Women, Children and Infants (% of FPL*) | | | | Population without health insurance coverage* | 912,000 | 15 | |
| Pregnant women and infants | | | 200.0% | Percent of total state population | 20.2% | 3 | |
| Children 1 to 5 | | | 133.0% | Recipients of Food Stamps*** | 676,194 | 12 | |
| Children 6 to 18 (born after 10/1/1983) | | | 100.0% | Households receiving Food Stamps*** | 261,760 | 13 | |
| SSI Eligibility Levels | | | | Total value of issuance*** | \$756,187,608 | 11 | |
| Income: | | | | Average monthly benefit per recipient | \$93.19 | 7 | |
| Single Person | | \$564 | 72.7% | Average monthly benefit per household | \$240.74 | | |
| Couple | | \$846 | 81.3% | | | | |
| Resources: | | | | Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 31,568 | 22 | |
| Single Person | | \$2,000 | N/A | Total TANF payments**** | \$35,672,628 | 43 | |
| Couple | | \$3,000 | N/A | Average monthly payment per recipient | \$94.17 | 43 | |
| | | | | Maximum monthly payment per family of 3 | \$190.00 | 46 | |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

| RECIPIENTS BY TYPE OF SERVICES | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|-----------|---------------|
| 01. General Hospital | 153,081 | 155,285 | 156,861 | 158,676 | 176,229 | 179,182 | 190,182 | 3.7% |
| 02. Mental Hospital | 2,847 | 9,529 | 8,552 | 7,491 | 8,070 | 8,613 | 9,120 | 21.4% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 34,403 | 35,508 | 34,639 | 34,702 | 34,356 | 32,955 | 35,275 | 0.4% |
| 04. Intermediate Care for Mentally Retarded | 6,014 | 5,904 | 5,984 | 5,907 | 5,879 | 5,848 | 6,247 | 0.6% |
| 05. Physician Services | 598,546 | 613,491 | 619,859 | 657,938 | 731,385 | 789,162 | 834,206 | 5.7% |
| 06. Dental Services | 128,341 | 133,584 | 137,707 | 167,187 | 187,347 | 232,875 | 243,961 | 11.3% |
| 07. Other Practitioners | 71,230 | 88,124 | 84,504 | 92,394 | 110,323 | 157,591 | 164,377 | 15.0% |
| 08. Outpatient Hospital | 355,568 | 319,041 | 336,002 | 371,198 | 420,655 | 465,274 | 490,745 | 5.5% |
| 09. Clinic Services | 69,912 | 113,105 | 118,008 | 107,545 | 113,829 | 123,544 | 130,799 | 11.0% |
| 10. Lab and X-Ray | 432,781 | 422,834 | 437,669 | 456,670 | 487,831 | 532,212 | 563,324 | 4.5% |
| 11. Home Health | 41,705 | 9,903 | 10,041 | 9,831 | 10,980 | 11,406 | 12,460 | -18.2% |
| 12. Prescribed Drugs | 552,481 | 549,296 | 581,356 | 628,571 | 689,973 | 758,388 | 758,388 | 5.4% |
| 13. Family Planning | 60,975 | 5,273 | 5,347 | 5,607 | 6,082 | 6,465 | 7,473 | -29.5% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 279,309 | 0 | 0 | 0 | 0 | 0 | 3,137 | -52.7% |
| 15. Other Care | 142,350 | 358,116 | 377,080 | 393,452 | 441,854 | 487,196 | 511,907 | 23.8% |
| 16. Personal Care Support Services | 67,602 | 87,396 | 101,186 | 112,336 | 128,333 | 145,595 | 152,811 | 14.6% |
| 17. Home/Community Based Waiver Services | 2,751 | 0 | 0 | 0 | 0 | 0 | 31 | -52.7% |
| 18. Prepaid Health Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| 19. Primary Care Case Management (PCCM) Services | 0 | 0 | 69,429 | 84,036 | 295,322 | 585,026 | 596,638 | 71.2% |
| Total* | 720,615 | 720,360 | 761,248 | 804,987 | 898,824 | 995,362 | 1,050,414 | 6.5% |

* Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------------|
| 01. General Hospital | \$527,916,078 | \$529,664,856 | \$529,025,483 | \$547,461,542 | \$595,344,285 | \$682,696,326 | \$734,735,253 | 5.7% | 19.0% |
| 02. Mental Hospital | \$15,963,066 | \$31,531,139 | \$28,267,787 | \$30,563,226 | \$33,765,457 | \$35,857,553 | \$38,354,133 | 15.7% | 1.0% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$490,677,315 | \$508,689,630 | \$492,740,844 | \$566,831,499 | \$579,678,805 | \$585,804,380 | \$634,965,372 | 4.4% | 16.4% |
| 04. Intermediate Care for Mentally Retarded | \$322,468,549 | \$340,939,902 | \$349,880,049 | \$353,810,898 | \$358,064,677 | \$367,634,760 | \$399,144,747 | 3.6% | 10.3% |
| 05. Physician Services | \$196,895,190 | \$209,849,639 | \$206,081,672 | \$223,182,715 | \$246,465,477 | \$276,177,855 | \$296,765,596 | 7.1% | 7.7% |
| 06. Dental Services | \$18,204,824 | \$22,401,128 | \$22,251,055 | \$27,872,499 | \$36,108,006 | \$43,540,602 | \$46,078,197 | 16.7% | 1.2% |
| 07. Other Practitioners | \$4,492,336 | \$8,968,208 | \$8,677,916 | \$9,261,247 | \$10,742,041 | \$16,242,953 | \$17,069,826 | 24.9% | 0.4% |
| 08. Outpatient Hospital | \$146,755,783 | \$148,443,259 | \$146,172,967 | \$158,037,617 | \$217,035,609 | \$250,446,727 | \$266,732,349 | 10.5% | 6.9% |
| 09. Clinic Services | \$33,718,060 | \$46,353,549 | \$44,341,120 | \$40,458,341 | \$53,391,708 | \$61,770,340 | \$65,880,517 | 11.8% | 1.7% |
| 10. Lab and X-Ray | \$42,386,889 | \$43,375,990 | \$46,000,148 | \$46,575,385 | \$53,319,471 | \$61,360,475 | \$65,775,701 | 7.6% | 1.7% |
| 11. Home Health | \$41,600,791 | \$18,686,295 | \$21,289,864 | \$21,999,736 | \$24,570,127 | \$28,344,851 | \$31,042,189 | -4.8% | 0.8% |
| 12. Prescribed Drugs | \$352,784,785 | \$405,754,264 | \$476,400,908 | \$554,670,701 | \$682,557,080 | \$783,761,071 | \$831,548,298 | 15.4% | 21.5% |
| 13. Family Planning | \$11,599,544 | \$2,159,092 | \$2,179,189 | \$2,148,382 | \$2,801,219 | \$4,333,284 | \$4,861,775 | -13.5% | 0.1% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$43,497,715 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,327,221 | -44.1% | 0.0% |
| 15. Other Care | \$41,368,967 | \$179,901,925 | \$210,574,208 | \$238,124,463 | \$263,557,479 | \$312,383,237 | \$328,809,678 | 41.3% | 8.5% |
| 16. Personal Care Support Services | \$30,413,215 | \$37,445,332 | \$44,974,800 | \$58,657,251 | \$71,523,905 | \$91,172,371 | \$96,048,642 | 21.1% | 2.5% |
| 17. Home/Community Based Waiver Services | \$62,765,878 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,915,138 | -44.1% | 0.0% |
| 18. Prepaid Health Care | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| 19. Primary Case Management (PCCM) Services | \$0 | \$0 | \$1,705,420 | \$1,922,615 | \$5,496,593 | \$13,383,194 | \$13,700,560 | 68.4% | 0.4% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$2,383,508,985 | \$2,534,164,208 | \$2,630,563,430 | \$2,881,578,117 | \$3,234,421,939 | \$3,614,909,979 | \$3,874,755,192 | 8.4% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLC | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|-------------|
| | | | | | | | | | Avg. FFY 04 |
| 01. General Hospital | \$3,448.61 | \$3,410.92 | \$3,372.57 | \$3,450.18 | \$3,378.24 | \$3,810.07 | \$3,863.33 | 1.9% | -20.8% |
| 02. Mental Hospital | \$5,606.98 | \$3,308.97 | \$3,305.40 | \$4,079.99 | \$4,184.07 | \$4,163.19 | \$4,205.50 | -4.7% | -76.1% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$14,262.63 | \$14,326.06 | \$14,225.03 | \$16,334.26 | \$16,872.71 | \$17,775.89 | \$18,000.44 | 4.0% | -17.5% |
| 04. Intermediate Care for Mentally Retarded | \$53,619.65 | \$57,747.27 | \$58,469.26 | \$59,896.88 | \$60,905.71 | \$62,865.04 | \$63,893.83 | 3.0% | -23.2% |
| 05. Physician Services | \$328.96 | \$342.06 | \$332.47 | \$339.22 | \$336.98 | \$349.96 | \$355.75 | 1.3% | -33.1% |
| 06. Dental Services | \$141.85 | \$167.69 | \$161.58 | \$166.71 | \$192.73 | \$186.97 | \$188.88 | 4.9% | -43.0% |
| 07. Other Practitioners | \$63.07 | \$101.77 | \$102.69 | \$100.24 | \$97.37 | \$103.07 | \$103.85 | 8.7% | -41.2% |
| 08. Outpatient Hospital | \$412.74 | \$465.28 | \$435.04 | \$425.75 | \$515.95 | \$538.28 | \$543.53 | 4.7% | -8.3% |
| 09. Clinic Services | \$482.29 | \$409.83 | \$375.75 | \$376.20 | \$469.05 | \$499.99 | \$503.68 | 0.7% | -31.3% |
| 10. Lab and X-Ray | \$97.94 | \$102.58 | \$105.10 | \$101.99 | \$109.30 | \$115.29 | \$116.76 | 3.0% | -36.2% |
| 11. Home Health | \$997.50 | \$1,886.93 | \$2,120.29 | \$2,237.79 | \$2,237.72 | \$2,485.08 | \$2,491.35 | 16.5% | 19.3% |
| 12. Prescribed Drugs | \$638.55 | \$738.68 | \$819.47 | \$882.43 | \$989.25 | \$1,033.46 | \$1,096.47 | 9.4% | -18.5% |
| 13. Family Planning | \$190.23 | \$409.46 | \$407.55 | \$383.16 | \$460.58 | \$670.27 | \$650.58 | 22.7% | -8.5% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$155.73 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$423.09 | 18.1% | -1.0% |
| 15. Other Care | \$290.61 | \$502.36 | \$558.43 | \$605.22 | \$596.48 | \$641.19 | \$642.32 | 14.1% | -68.0% |
| 16. Personal Care Support Services | \$449.89 | \$428.46 | \$444.48 | \$522.16 | \$557.33 | \$626.21 | \$628.55 | 5.7% | -53.3% |
| 17. Home/Community Based Waiver Services | \$22,815.66 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$61,778.65 | 18.1% | 1896.7% |
| 18. Prepaid Health Care | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| 19. Primary Case Management (PCCM) Services | \$0.00 | \$0.00 | \$24.56 | \$22.88 | \$18.61 | \$22.88 | \$22.96 | -1.7% | -25.4% |
| Total (Average) | \$3,307.60 | \$3,517.91 | \$3,455.59 | \$3,579.66 | \$3,598.50 | \$3,631.75 | \$3,688.79 | 1.8% | -9.7% |

TOTAL PER CAPITA EXPENDITURES

| | | | | | | | | | |
|--|----------|----------|----------|----------|----------|------------|------------|------|-------|
| | \$759.96 | \$777.04 | \$810.94 | \$926.38 | \$974.82 | \$1,046.34 | \$1,129.01 | 6.8% | 28.9% |
|--|----------|----------|----------|----------|----------|------------|------------|------|-------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 372,578 | 311,892 | 307,199 | 301,098 | 310,808 | 313,021 | 334,548 | -1.8% | 31.8% |
| Poverty Related Eligibles | 190,227 | 226,461 | 286,673 | 350,198 | 445,427 | 499,742 | 522,192 | 18.3% | 49.7% |
| Medically Needy | 8,629 | 5,878 | 6,088 | 7,041 | 9,204 | 9,659 | 10,181 | 2.8% | 1.0% |
| Other Eligibles | 149,181 | 110,567 | 96,323 | 82,393 | 89,334 | 76,114 | 82,897 | -9.3% | 7.9% |
| Maintenance Assistance Status Unknown | 0 | 65,562 | 64,965 | 64,257 | 44,051 | 96,826 | 100,596 | 8.9% | 9.6% |
| Total | 720,615 | 720,360 | 761,248 | 804,987 | 898,824 | 995,362 | 1,050,414 | 6.5% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 254,382 | 233,591 | 232,929 | 232,613 | 241,107 | 245,745 | 261,923 | 0.5% | 24.9% |
| Children | 345,723 | 323,458 | 367,921 | 411,966 | 538,077 | 535,484 | 563,818 | 8.5% | 53.7% |
| Foster Care Children | 141 | 8,545 | 8,875 | 8,639 | 9,470 | 8,539 | 9,036 | 100.0% | 0.9% |
| Adults | 120,369 | 89,204 | 86,558 | 87,512 | 110,170 | 108,501 | 115,266 | -0.7% | 11.0% |
| Basis of Eligibility Unknown | 0 | 65,562 | 64,965 | 64,257 | 0 | 97,093 | 100,371 | 8.9% | 9.6% |
| Total | 720,615 | 720,360 | 761,248 | 804,987 | 898,824 | 995,362 | 1,050,414 | 6.5% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 57,639 | 20,839 | 26,837 | 27,501 | 35,777 | 17,970 | 20,065 | -16.1% | 1.9% |
| Age 1 to 5 | 144,132 | 129,029 | 139,568 | 147,942 | 180,474 | 170,264 | 180,501 | 3.8% | 17.2% |
| Age 6 to 14 | 158,730 | 166,295 | 180,207 | 202,706 | 243,261 | 278,469 | 292,281 | 10.7% | 27.8% |
| Age 15 to 20 | 64,869 | 69,325 | 81,857 | 93,158 | 113,506 | 134,354 | 140,611 | 13.8% | 13.4% |
| Age 21 to 44 | 139,767 | 124,537 | 122,450 | 123,143 | 130,744 | 141,485 | 150,270 | 1.2% | 14.3% |
| Age 45 to 64 | 59,953 | 58,082 | 60,278 | 62,671 | 67,925 | 72,499 | 76,783 | 4.2% | 7.3% |
| Age 65 to 74 | 36,578 | 33,698 | 33,250 | 32,907 | 32,980 | 33,467 | 35,746 | -0.4% | 3.4% |
| Age 75 to 84 | 33,406 | 30,207 | 29,756 | 29,668 | 29,629 | 29,827 | 31,877 | -0.8% | 3.0% |
| Age 85 and Over | 25,404 | 22,790 | 22,080 | 21,034 | 20,477 | 20,199 | 21,680 | -2.6% | 2.1% |
| Age Unknown | 137 | 65,558 | 64,965 | 64,257 | 44,051 | 96,828 | 100,600 | 200.4% | 9.6% |
| Total | 720,615 | 720,360 | 761,248 | 804,987 | 898,824 | 995,362 | 1,050,414 | 6.5% | 100.0% |
| By Race | | | | | | | | | |
| White | 238,916 | 233,573 | 257,995 | 276,367 | 296,734 | 320,727 | 338,971 | 6.0% | 32.3% |
| Black | 431,382 | 418,242 | 450,797 | 473,774 | 498,670 | 514,116 | 545,419 | 4.0% | 51.9% |
| Hispanic, American Indian or Asian | 0 | 0 | 0 | 0 | 8,817 | 12,878 | 13,122 | 22.0% | 1.2% |
| Other/ Unknown | 50,317 | 68,545 | 52,456 | 54,846 | 94,603 | 147,641 | 152,902 | 20.4% | 14.6% |
| Total | 720,615 | 720,360 | 761,248 | 804,987 | 898,824 | 995,362 | 1,050,414 | 6.5% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 442,067 | 425,275 | 460,027 | 481,824 | 498,794 | 523,312 | 555,113 | 3.9% | 52.8% |
| Male | 278,337 | 272,350 | 300,360 | 322,966 | 355,920 | 375,166 | 396,564 | 6.1% | 37.8% |
| Unknown | 211 | 22,735 | 861 | 197 | 44,110 | 96,884 | 98,737 | 178.6% | 9.4% |
| Total | 720,615 | 720,360 | 761,248 | 804,987 | 898,824 | 995,362 | 1,050,414 | 6.5% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$1,227,251,177 | \$1,238,591,787 | \$1,287,252,400 | \$1,376,935,923 | \$1,553,966,380 | \$1,699,714,565 | \$1,825,789,512 | 6.8% | 47.1% |
| Poverty Related Eligibles | \$227,270,626 | \$263,475,366 | \$321,648,866 | \$392,236,048 | \$510,213,885 | \$583,097,320 | \$617,653,960 | 18.1% | 15.9% |
| Medically Needy | \$35,159,084 | \$32,171,699 | \$35,472,974 | \$43,794,602 | \$56,331,308 | \$59,852,598 | \$63,804,339 | 10.4% | 1.6% |
| Other Eligibles | \$893,828,098 | \$884,830,782 | \$882,700,731 | \$966,239,542 | \$1,053,861,209 | \$1,072,900,601 | \$1,159,435,149 | 4.4% | 29.9% |
| Maintenance Assistance Status Unknown | \$0 | \$115,094,574 | \$103,488,459 | \$102,372,002 | \$60,049,157 | \$199,344,895 | \$208,072,232 | 12.6% | 5.4% |
| Total | \$2,383,508,985 | \$2,534,164,208 | \$2,630,563,430 | \$2,881,578,117 | \$3,234,421,939 | \$3,614,909,979 | \$3,874,755,192 | 8.4% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,773,580,236 | \$1,894,577,789 | \$1,953,941,815 | \$2,110,259,299 | \$2,303,751,869 | \$2,513,203,234 | \$2,701,920,842 | 7.3% | 69.7% |
| Children | \$371,500,804 | \$301,187,109 | \$337,035,460 | \$412,242,191 | \$569,950,655 | \$553,716,835 | \$591,998,272 | 8.1% | 15.3% |
| Foster Care Children | \$154,433 | \$16,921,071 | \$21,691,569 | \$22,958,250 | \$25,792,679 | \$28,100,500 | \$29,839,180 | 140.4% | 0.8% |
| Adults | \$238,273,512 | \$206,383,665 | \$214,406,127 | \$233,746,375 | \$274,877,579 | \$315,908,545 | \$338,218,979 | 6.0% | 8.7% |
| Basis of Eligibility Unknown | \$0 | \$115,094,574 | \$103,488,459 | \$102,372,002 | \$60,049,157 | \$203,980,865 | \$212,777,919 | 13.1% | 5.5% |
| Total | \$2,383,508,985 | \$2,534,164,208 | \$2,630,563,430 | \$2,881,578,117 | \$3,234,421,939 | \$3,614,909,979 | \$3,874,755,192 | 8.4% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$168,716,699 | \$53,689,495 | \$60,554,574 | \$82,788,537 | \$118,450,015 | \$69,607,689 | \$77,935,884 | -12.1% | 2.0% |
| Age 1 to 5 | \$139,107,477 | \$164,180,623 | \$184,127,591 | \$212,808,277 | \$275,852,968 | \$265,375,029 | \$284,044,085 | 12.6% | 7.3% |
| Age 6 to 14 | \$164,913,424 | \$177,368,038 | \$191,919,045 | \$224,251,709 | \$281,724,844 | \$338,512,433 | \$359,245,278 | 13.9% | 9.3% |
| Age 15 to 20 | \$157,908,697 | \$161,825,039 | \$180,390,620 | \$203,151,604 | \$236,113,101 | \$271,785,984 | \$289,999,733 | 10.7% | 7.5% |
| Age 21 to 44 | \$611,395,836 | \$639,480,214 | \$668,103,084 | \$702,180,596 | \$775,096,720 | \$851,260,156 | \$915,134,656 | 7.0% | 23.6% |
| Age 45 to 64 | \$465,816,270 | \$508,252,218 | \$544,918,260 | \$601,807,404 | \$690,063,729 | \$783,968,981 | \$838,028,280 | 10.3% | 21.6% |
| Age 65 to 74 | \$195,457,195 | \$208,964,900 | \$204,844,393 | \$213,563,390 | \$234,357,458 | \$249,635,916 | \$269,288,030 | 5.5% | 6.9% |
| Age 75 to 84 | \$240,901,709 | \$247,705,759 | \$243,830,620 | \$269,292,605 | \$284,966,950 | \$300,381,614 | \$324,248,241 | 5.1% | 8.4% |
| Age 85 and Over | \$239,184,115 | \$257,604,774 | \$248,386,784 | \$269,361,993 | \$277,746,997 | \$285,036,326 | \$308,756,207 | 4.3% | 8.0% |
| Age Unknown | \$107,563 | \$115,093,148 | \$103,488,459 | \$102,372,002 | \$60,049,157 | \$199,345,851 | \$208,074,798 | 253.0% | 5.4% |
| Total | \$2,383,508,985 | \$2,534,164,208 | \$2,630,563,430 | \$2,881,578,117 | \$3,234,421,939 | \$3,614,909,979 | \$3,874,755,192 | 8.4% | 100.0% |
| By Race | | | | | | | | | |
| White | \$1,099,777,803 | \$1,166,464,269 | \$1,220,850,112 | \$1,341,518,119 | \$1,478,718,886 | \$1,594,496,227 | \$1,713,324,520 | 7.7% | 44.2% |
| Black | \$1,065,218,687 | \$1,103,386,526 | \$1,173,444,462 | \$1,281,983,050 | \$1,411,445,947 | \$1,516,242,310 | \$1,629,805,704 | 7.3% | 42.1% |
| Hispanic, American Indian or Asian | \$0 | \$0 | \$0 | \$0 | \$19,952,411 | \$32,330,907 | \$33,117,148 | 28.8% | 0.9% |
| Other/Unknown | \$218,512,495 | \$264,313,413 | \$236,268,856 | \$258,076,948 | \$324,304,695 | \$471,840,535 | \$498,507,820 | 14.7% | 12.9% |
| Total | \$2,383,508,985 | \$2,534,164,208 | \$2,630,563,430 | \$2,881,578,117 | \$3,234,421,939 | \$3,614,909,979 | \$3,874,755,192 | 8.4% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$1,465,177,548 | \$1,525,645,924 | \$1,591,240,151 | \$1,734,266,319 | \$1,907,207,677 | \$2,060,036,616 | \$2,214,681,842 | 7.1% | 57.2% |
| Male | \$917,846,494 | \$970,854,884 | \$1,039,703,789 | \$1,147,169,287 | \$1,267,011,408 | \$1,355,303,057 | \$1,456,026,455 | 8.0% | 37.6% |
| Unknown | \$484,943 | \$37,663,400 | (\$380,510) | \$142,511 | \$60,202,854 | \$199,570,306 | \$204,046,895 | 173.7% | 5.3% |
| Total | \$2,383,508,985 | \$2,534,164,208 | \$2,630,563,430 | \$2,881,578,117 | \$3,234,421,939 | \$3,614,909,979 | \$3,874,755,192 | 8.4% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,293.94 | \$3,971.22 | \$4,190.29 | \$4,573.05 | \$4,999.76 | \$5,430.03 | \$5,457.48 | 8.8% | -11.5% |
| Poverty Related Eligibles | \$1,194.73 | \$1,163.45 | \$1,122.01 | \$1,120.04 | \$1,145.45 | \$1,166.80 | \$1,182.81 | -0.2% | -34.3% |
| Medically Needy | \$4,074.53 | \$5,473.24 | \$5,826.70 | \$6,219.94 | \$6,120.31 | \$6,196.56 | \$6,267.00 | 7.4% | -1.0% |
| Other Eligibles | \$5,991.57 | \$8,002.67 | \$9,163.97 | \$11,727.20 | \$11,796.87 | \$14,095.97 | \$13,986.45 | 15.2% | 95.2% |
| Maintenance Assistance Status Unknown | \$0.00 | \$1,755.51 | \$1,592.99 | \$1,593.16 | \$1,363.17 | \$2,058.80 | \$2,068.39 | 3.3% | -16.5% |
| Total | \$3,307.60 | \$3,517.91 | \$3,455.59 | \$3,579.66 | \$3,598.50 | \$3,631.75 | \$3,688.79 | 1.8% | -9.7% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$6,972.11 | \$8,110.66 | \$8,388.57 | \$9,071.97 | \$9,554.89 | \$10,226.87 | \$10,315.71 | 6.7% | -5.7% |
| Children | \$1,074.56 | \$931.15 | \$916.05 | \$1,000.67 | \$1,059.24 | \$1,034.05 | \$1,049.98 | -0.4% | -26.8% |
| Foster Care Children | \$1,095.27 | \$1,980.23 | \$2,444.12 | \$2,657.51 | \$2,723.62 | \$3,290.84 | \$3,302.26 | 20.2% | -51.2% |
| Adults | \$1,979.53 | \$2,313.61 | \$2,477.02 | \$2,671.02 | \$2,495.03 | \$2,911.57 | \$2,934.25 | 6.8% | 11.6% |
| Basis of Eligibility Unknown | \$0.00 | \$1,755.51 | \$1,592.99 | \$1,593.16 | \$0.00 | \$2,100.88 | \$2,119.91 | 3.8% | -14.7% |
| Total | \$3,307.60 | \$3,517.91 | \$3,455.59 | \$3,579.66 | \$3,598.50 | \$3,631.75 | \$3,688.79 | 1.8% | -9.7% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,927.13 | \$2,576.39 | \$2,256.38 | \$3,010.38 | \$3,310.79 | \$3,873.55 | \$3,884.17 | 4.8% | 10.8% |
| Age 1 to 5 | \$965.14 | \$1,272.43 | \$1,319.27 | \$1,438.46 | \$1,528.49 | \$1,558.61 | \$1,573.64 | 8.5% | -10.0% |
| Age 6 to 14 | \$1,038.96 | \$1,066.59 | \$1,064.99 | \$1,106.29 | \$1,158.12 | \$1,215.62 | \$1,229.11 | 2.8% | -25.5% |
| Age 15 to 20 | \$2,434.27 | \$2,334.30 | \$2,203.73 | \$2,180.72 | \$2,080.18 | \$2,022.91 | \$2,062.43 | -2.7% | -20.2% |
| Age 21 to 44 | \$4,374.39 | \$5,134.86 | \$5,456.13 | \$5,702.16 | \$5,928.35 | \$6,016.61 | \$6,089.94 | 5.7% | 23.1% |
| Age 45 to 64 | \$7,769.69 | \$8,750.60 | \$9,040.09 | \$9,602.65 | \$10,159.20 | \$10,813.51 | \$10,914.24 | 5.8% | 15.3% |
| Age 65 to 74 | \$5,343.57 | \$6,201.11 | \$6,160.73 | \$6,489.91 | \$7,106.05 | \$7,459.17 | \$7,533.38 | 5.9% | -1.7% |
| Age 75 to 84 | \$7,211.33 | \$8,200.28 | \$8,194.33 | \$9,076.87 | \$9,617.84 | \$10,070.80 | \$10,171.86 | 5.9% | -8.1% |
| Age 85 and Over | \$9,415.21 | \$11,303.41 | \$11,249.40 | \$12,806.03 | \$13,563.85 | \$14,111.41 | \$14,241.52 | 7.1% | -14.9% |
| Age Unknown | \$785.13 | \$1,755.59 | \$1,592.99 | \$1,593.16 | \$1,363.17 | \$2,058.76 | \$2,068.34 | 17.5% | -23.2% |
| Total | \$3,307.60 | \$3,517.91 | \$3,455.59 | \$3,579.66 | \$3,598.50 | \$3,631.75 | \$3,688.79 | 1.8% | -9.7% |
| By Race | | | | | | | | | |
| White | \$4,603.20 | \$4,994.00 | \$4,732.07 | \$4,854.12 | \$4,983.31 | \$4,971.51 | \$5,054.49 | 1.6% | -0.2% |
| Black | \$2,469.32 | \$2,638.15 | \$2,603.04 | \$2,705.90 | \$2,830.42 | \$2,949.22 | \$2,988.17 | 3.2% | -11.7% |
| Hispanic, American Indian or Asian | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,262.95 | \$2,510.55 | \$2,523.79 | 5.6% | -4.6% |
| Other/ Unknown | \$4,342.72 | \$3,856.06 | \$4,504.13 | \$4,705.48 | \$3,428.06 | \$3,195.86 | \$3,260.31 | -4.7% | -26.8% |
| Total | \$3,307.60 | \$3,517.91 | \$3,455.59 | \$3,579.66 | \$3,598.50 | \$3,631.75 | \$3,688.79 | 1.8% | -9.7% |
| By Sex | | | | | | | | | |
| Female | \$3,314.38 | \$3,587.43 | \$3,459.01 | \$3,599.38 | \$3,823.64 | \$3,936.54 | \$3,989.61 | 3.1% | -5.4% |
| Male | \$3,297.61 | \$3,564.73 | \$3,461.53 | \$3,551.98 | \$3,559.82 | \$3,612.54 | \$3,671.61 | 1.8% | -9.8% |
| Unknown | \$2,298.31 | \$1,656.63 | (\$411.94) | \$723.41 | \$1,364.83 | \$2,059.89 | \$2,066.57 | -1.8% | -22.1% |
| Total | \$3,307.60 | \$3,517.91 | \$3,455.59 | \$3,579.66 | \$3,598.50 | \$3,631.75 | \$3,688.79 | 1.8% | -9.7% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Louisiana operates a Primary Care Case Management (PCCM) under the authority of a 1915(b) waiver. The program, CommunityCARE, has been in existence since June 1, 1992 and serves approximately 900,000 beneficiaries across the State.

Louisiana also has several Home and Community Based Waivers under Section 1915 (c), which enables the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Elderly and Disabled Adult Waiver (EDA): Can serve up to 2,741 people, operating since July 1, 1993
 - Mental Retardation/Developmental Disabilities: Can serve up to 4,776 people, operating since June 1, 1990. Beginning in October 2003, individuals were transitioned out of the MR/DD waiver into the New Opportunity Waiver (NOW), an Independence Plus waiver which encompasses additional services and an option for participants to elect consumer direction. Has 4,642 slots available through June 30, 2005.
 - Adult Day Health Care Waiver (ADHC): Currently can serve up to 688 people, operating since January 1, 1985
 - Personal Care Attendant Waiver (PCA): Waiver was terminated in January 2005. 300 PCA waiver recipients were transitioned to the EDA waiver by December 31, 2004 before the closure of the PCA waiver.
 - Children's Choice Waiver (CC): Can serve up to 800 children during FY 04, operating since February 21, 2001.
- Created the Jefferson Parish Health Authority and the Capital Area Human Services District as community based programs. These entities are restrictive to outpatient and inpatient care services in the area of substance abuse, and outpatient care services for mental retardation, mental health, and public health.
- Enacted legislation in FY 03 that created the Florida Parishes Human Service Authority (Act 594) and the Metropolitan Human Services District (Act 846). The new laws provide for DHH to implement the framework for the program by July 5, 2004, and have individual provider agreements in place by July 1, 2005.

Managed Care

- Any Willing Provider Clause: Enacted legislation in 1997 to allow rural providers to be reimbursed at the same rate as a contract provider as long as the rural provider meets the requirements and standards for participation.

Coverage for Targeted Population

- Provides coverage for the uninsured mainly through state charity hospital system. In 1997, the state reinstated the Medically Needy Program.

Cost Containment Measures

- For FY 02, Act 395 of the 2001 Regular Legislative Session permits the Department of Health and Hospitals to utilize a prior authorization process and a preferred drug list for its Medicaid prescription benefits management program in an effort to promote cost effectiveness in the Medicaid Program. With the implementation of the PA process, drugs will be considered "preferred" or "non-preferred". Non-preferred drugs will require PA as a condition for payment by the program. The Department is also negotiating State Supplemental Drug Rebates with drug manufacturers. Act 395 also mandates the Department to implement the Peer Based Prescriber Practitioner Profile Program.
- For FY 03, enhancement of computer system to scan 5% of cases (up from the current 1%) to combat fraud in Medicaid claims.
- The Department provided plastic magnetic strip cards for Medicaid recipients. This will reduce fraud and lower administrative costs over time for both providers and the state. The program was implemented in SFY 98 and completed statewide in January 1999, served approximately 900,000 in FY 04.
- For FY 05, Act 177 of the 2005 Regular Session removes the exemption from being added to the PDL for atypical anti-psychotic drugs and drugs used in the treatment of Hepatitis C.

SOUTHERN REGION MEDICAID PROFILE

Medicaid

- 28 services are offered (10 mandatory and 18 optional).
 - Enacted legislation in 2000 that created the Medicaid Nursing Home Trust Fund. Interest earnings (approximately \$60 to \$80 million per year) from monies deposited in the fund will be appropriated by the legislature to provide additional support for nursing home providers and to increase the state's effort relative to the Medicaid assisted living program.
 - Enacted legislation in 2001 as follows:
 1. Created the Medicaid School-Based Administrative Claiming Trust Fund to reimburse public schools for the actual costs of administrative outreach provided by the school districts;
 2. Established the Medicaid Pharmaceutical and Therapeutic Committee—authorized the committee to develop and maintain a preferred drug list in conjunction with a prior authorization process;
 3. Authorized Medicaid to change the reimbursement methodology for nursing home services; and
 4. Directed DHH to develop and implement a pilot program to provide hospice care under the state plan.
 - Enacted legislation in 2002 as follows:
 1. Increased reimbursement rates for hospital outpatient services and long-term care hospital services.
 2. Increased physician reimbursement rates for those physicians participating in the CommunityCARE Program.
 3. Increased reimbursement rates for dentists, emergency ambulance services, physical therapy, occupational therapy, speech therapy, and for the Supported Independent Living Waiver.
 4. Provided funds for reimbursement to private providers for medical services to Medicaid eligible patients enrolled in Mental Health Rehabilitation Services
 5. Limited vision services to Medicaid recipients under the age of 21.
 6. Increased Medicaid coverage of Personal Care Attendant services and of behavioral management for autistic children.
 7. Expanded Medicaid coverage for pregnant women with family incomes not greater than 200% of the federal poverty guidelines.
 8. Added new slots for the Adult Day Health waiver, the Elderly and Disabled waiver, the Mental Retardation and Developmentally Disabled waiver, and the Personal Care Attendant waiver.
- Enacted legislation in 2005 as follows:
1. Authorized the imposition of a 1.5% provider fee on net patient revenues for certain acute care hospitals.
 2. Extended the moratorium on certified nursing home beds; allowed for a bed abeyance (reduction) of 10%; increased minimum occupancy levels to allow for recoupment of capital costs; and provided for a bed exchange program that would allow the conversion of existing nursing home beds to residential care beds.

Children's Health Insurance Program: Medicaid Expansion

- The Children's Insurance Program (LaCHIP-Phase I) was implemented in November of 1998. The Medicaid program was expanded to provide health care benefits to children/adolescents from birth to age 19 in families with incomes up to 133% of the FPL. The program provided coverage to approximately 52,000 children by October 1, 1999.
 - Legislation enacted in the Regular Session of 1999 (ACT 1197) authorized the expansion of LaCHIP.
 - Phase II, effective October 1999, expanded Medicaid to provide health care benefits to children/adolescents from birth to age 19 in families with incomes up to 150% FPL and enrolled approximately 10,000 children.
 - Phase III implemented January 1, 2001 to provide health care benefits to children/adolescents from birth to age 19 in families with income from 151-200% FPL and enrolled an additional 12,000 children.
- All three phases are Medicaid expansions and serve approximately 105,580 individuals as of September 2004.

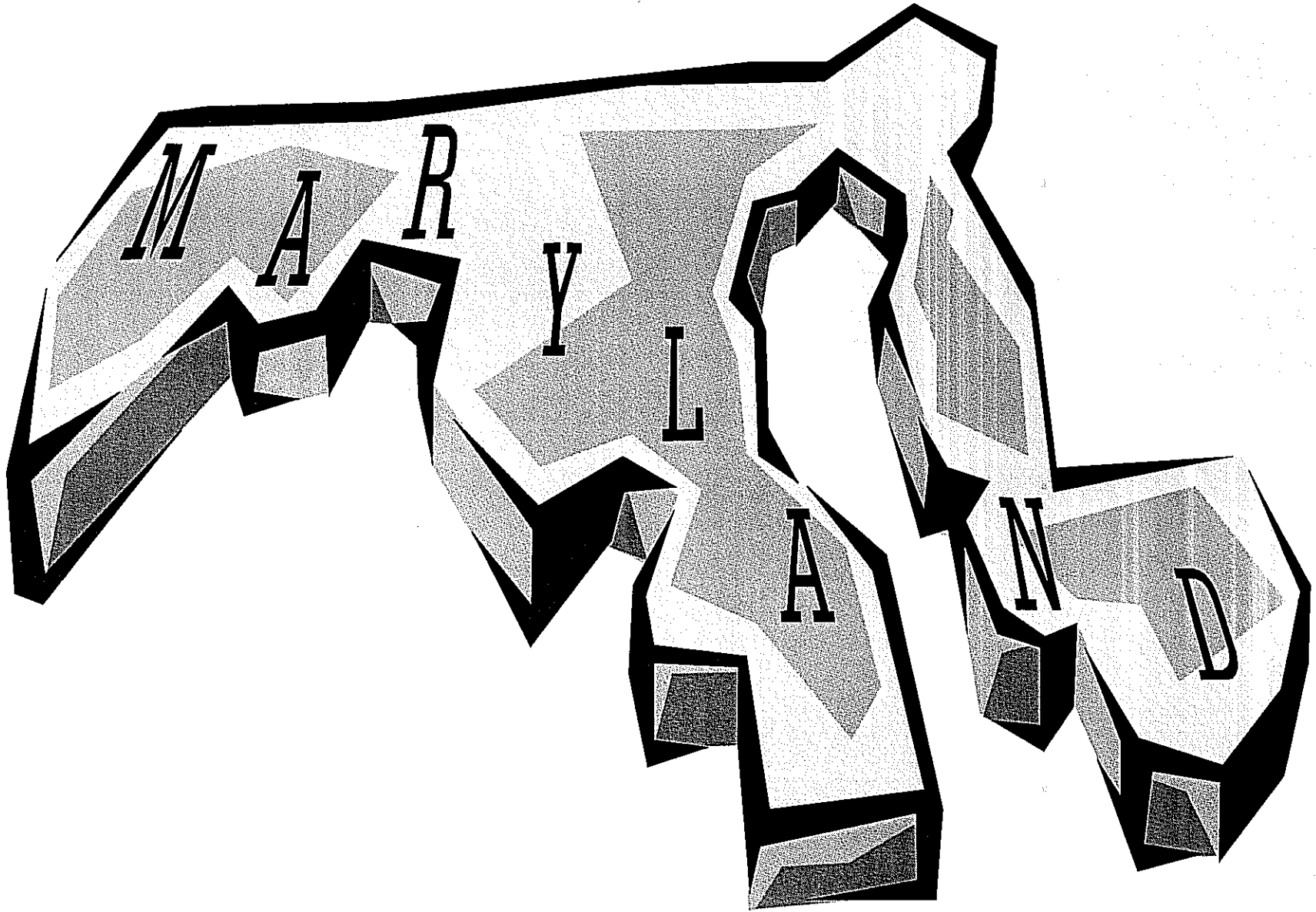
SOUTHERN REGION MEDICAID PROFILE

Tobacco Settlement

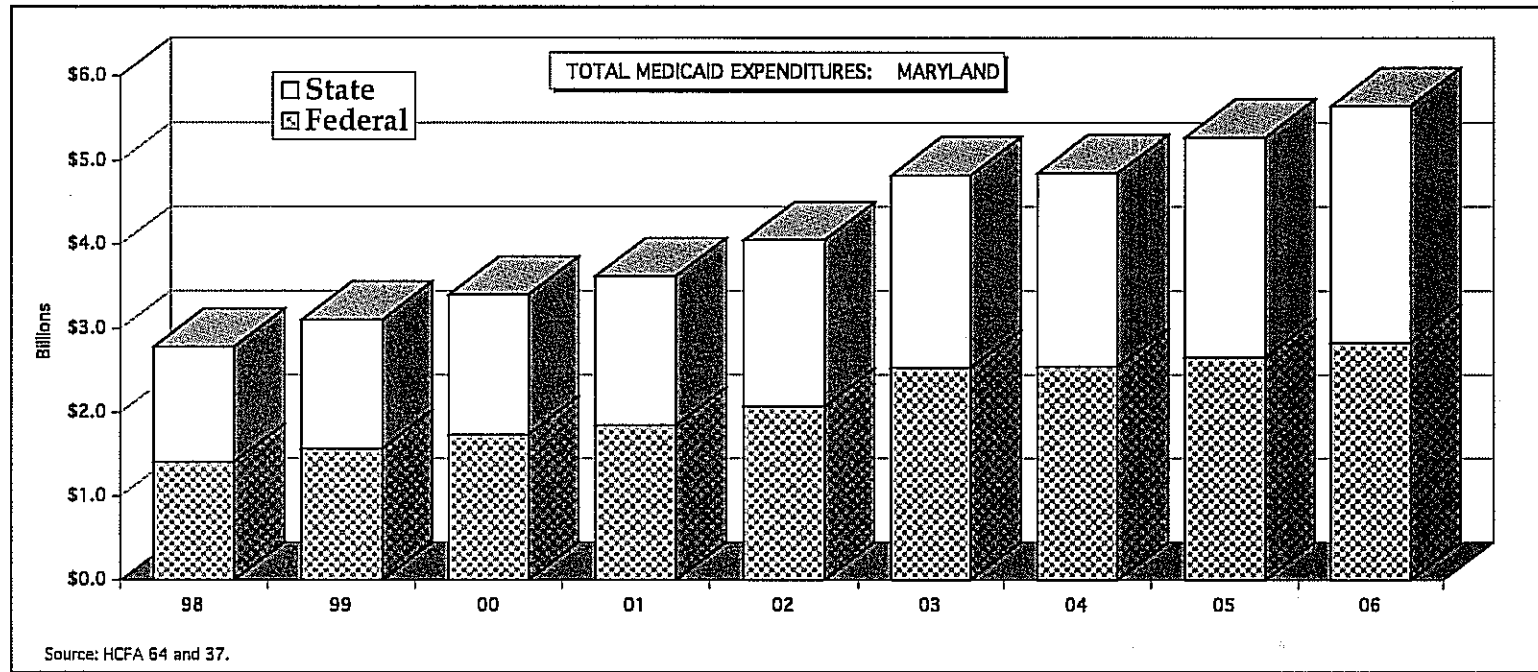
- The state expects to receive approximately \$4.42 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$1.34 billion.
- The state has allocated these funds and compares with the U.S. as follows:

| | LA | % | U.S. | % |
|--------------------------------|-----------------|--------|------------------|--------|
| Tobacco use prevention | \$1,942,000 | 0.1% | \$1,813,423,000 | 4.6% |
| Health services | \$145,105,000 | 10.8% | \$11,824,057,000 | 29.9% |
| Long-term care | \$0 | 0.0% | \$2,200,066,000 | 5.6% |
| Health research | \$42,443,000 | 3.2% | \$1,472,863,000 | 3.7% |
| Education | \$76,189,000 | 5.7% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$5,967,000 | 0.4% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$982,067,000 | 73.2% | \$7,636,209,000 | 19.3% |
| Other | \$87,283,000 | 6.5% | \$10,048,868,000 | 25.4% |
| Total | \$1,340,996,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$2,578,582,453 | \$2,931,170,173 | \$3,170,221,094 | \$3,389,359,931 | \$3,779,629,018 | \$4,533,866,491 | \$4,586,430,658 | \$4,956,779,000 | \$5,288,055,000 | 9.4% | 105.1% |
| Federal Share | \$1,293,965,501 | \$1,473,199,888 | \$1,610,382,156 | \$1,713,456,381 | \$1,927,846,222 | \$2,374,645,298 | \$2,403,083,672 | \$2,489,789,000 | \$2,647,535,000 | 9.4% | 104.6% |
| State Share | \$1,284,616,952 | \$1,457,970,285 | \$1,559,838,938 | \$1,675,903,550 | \$1,851,782,796 | \$2,159,221,193 | \$2,183,346,986 | \$2,466,990,000 | \$2,640,520,000 | 9.4% | 105.5% |
| Administrative Costs | \$206,657,092 | \$177,403,959 | \$235,198,416 | \$237,787,627 | \$274,488,455 | \$294,904,663 | \$267,847,856 | \$320,676,000 | \$355,733,000 | 7.0% | 72.1% |
| Federal Share | \$114,207,850 | \$97,893,210 | \$126,726,599 | \$130,711,305 | \$145,227,839 | \$155,606,047 | \$142,877,711 | \$172,087,000 | \$189,311,000 | 6.5% | 65.8% |
| State Share | \$92,449,242 | \$79,510,749 | \$108,471,817 | \$107,076,322 | \$129,260,616 | \$139,298,616 | \$124,970,145 | \$148,589,000 | \$166,422,000 | 7.6% | 80.0% |
| Admin. Costs as % of Payments | 8.01% | 6.05% | 7.42% | 7.02% | 7.26% | 6.50% | 5.84% | 6.47% | 6.73% | | |
| Federal Match Rate* | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|-----------------|-----------------|----------------|---------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$1,284,616,952 | \$2,177,063,492 | \$92,449,242 | \$124,970,145 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$0 | \$0 | \$0 |
| Donations* | \$0 | \$5,457,325 | \$0 | \$0 |
| Other* | \$0 | \$826,169 | \$0 | \$0 |
| Total State Share | \$1,284,616,952 | \$2,183,346,986 | \$92,449,242 | \$124,970,145 |

*Outstationed Eligibility Workers and various State Medical Licensing Boards and Commissions

| Provider Taxes Currently in Place (FFY 04) | |
|--|-------------|
| Tax Rate | Amount |
| Permissible Taxes Program | \$5,457,325 |
| | \$5,457,325 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| General Hospitals | \$27,132,390 | \$28,539,341 | \$29,841,259 | \$31,081,634 | \$35,380,547 | \$22,959,669 | \$31,101,654 | \$27,637,000 | \$14,657,000 | -11.2% |
| Mental Hospitals | \$116,151,573 | \$118,275,027 | \$114,809,891 | \$31,443,762 | \$62,616,528 | \$40,863,900 | \$47,402,124 | \$47,492,000 | \$48,142,000 | -13.5% |
| Total | \$143,283,963 | \$146,814,368 | \$144,651,150 | \$62,525,396 | \$97,997,075 | \$63,823,569 | \$78,503,778 | \$75,129,000 | \$62,799,000 | -13.0% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | Eliminated | N/A |
| Payment Standard | \$477 | 36.5% |
| Maximum Payment | \$477 | 36.5% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | \$434 | |
| Resource Standard | \$3,100 | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women (250%) and children to age 6 | | 250.0% |
| Children age 6 to 14 | | 200.0% |
| Children age 14 to 18 | | 200.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

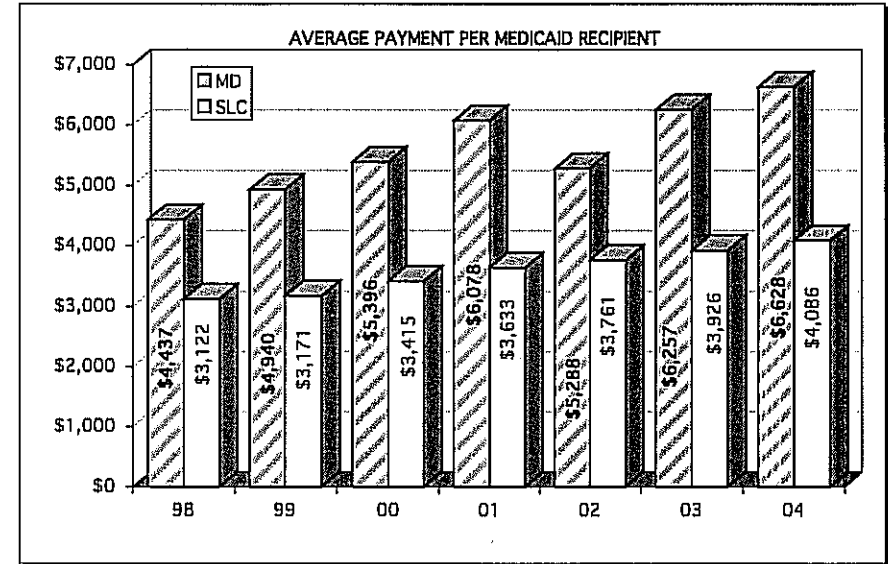
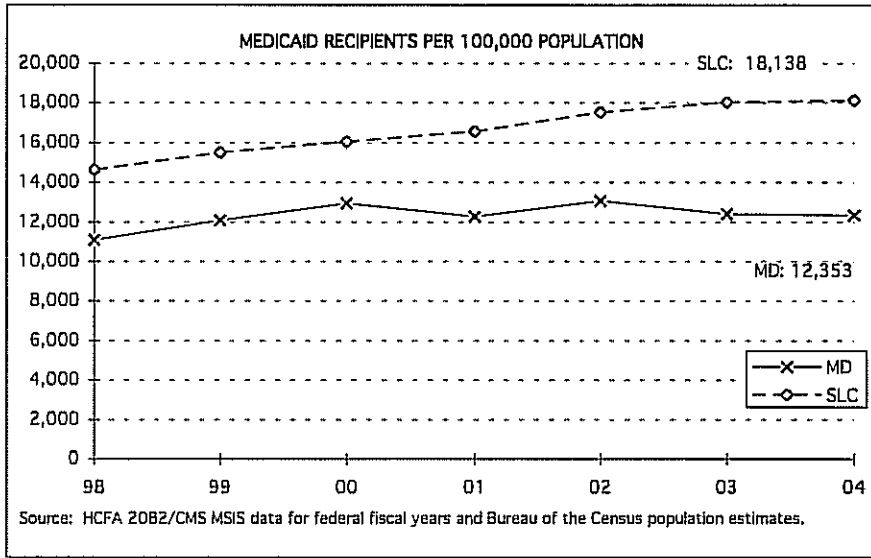
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 5,558,058 | 19 |
| Per capita personal income** | \$39,247 | 4 |
| Median household income** | \$55,213 | 2 |
| Population below Federal Poverty Level on July 1, 2003* | 416,005 | |
| Percent of total state population | 7.7% | 47 |
| Population without health insurance coverage* | 762,000 | 19 |
| Percent of total state population | 13.7% | 27 |
| Recipients of Food Stamps*** | 273,866 | 28 |
| Households receiving Food Stamps*** | 124,103 | 28 |
| Total value of issuance*** | \$278,364,000 | 27 |
| Average monthly benefit per recipient | \$84.70 | 11 |
| Average monthly benefit per household | \$186.92 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 70,096 | 20 |
| Total TANF payments**** | \$123,084,000 | 21 |
| Average monthly payment per recipient | \$146.33 | 21 |
| Maximum monthly payment per family of 3 | \$388.00 | 25 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|
| 01. General Hospital | 43,196 | 48,721 | 73,365 | 71,063 | 49,808 | 72,239 | 74,047 | 9.4% |
| 02. Mental Hospital | 1,827 | 3,351 | 3,328 | 3,153 | 2,871 | 3,227 | 3,317 | 10.5% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 27,834 | 27,920 | 27,270 | 22,339 | 25,170 | 22,826 | 23,600 | -2.7% |
| 04. Intermediate Care for Mentally Retarded | 627 | 594 | 561 | 549 | 507 | 560 | 577 | -1.4% |
| 05. Physician Services | 203,528 | 315,893 | 398,274 | 412,016 | 152,992 | 418,007 | 427,595 | 13.2% |
| 06. Dental Services | 8,725 | 15,084 | 18,001 | 35,893 | 1,728 | 36,309 | 36,893 | 27.2% |
| 07. Other Practitioners | 19,151 | 20,593 | 22,613 | 23,939 | 20,424 | 24,376 | 25,037 | 4.6% |
| 08. Outpatient Hospital | 105,346 | 151,875 | 227,957 | 226,547 | 104,874 | 229,850 | 235,129 | 14.3% |
| 09. Clinic Services | 39,897 | 39,332 | 48,462 | 61,467 | 32,227 | 62,519 | 63,951 | 8.2% |
| 10. Lab and X-Ray | 50,211 | 39,210 | 70,890 | 101,025 | 38,109 | 102,366 | 104,393 | 13.0% |
| 11. Home Health | 8,114 | 10,181 | 11,798 | 14,800 | 16,175 | 15,037 | 15,421 | 11.3% |
| 12. Prescribed Drugs | 176,403 | 345,740 | 409,511 | 413,755 | 181,101 | 419,669 | 419,669 | 15.5% |
| 13. Family Planning | 19,141 | 563 | 1,457 | 1,529 | 1,770 | 1,770 | 1,902 | -31.9% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 45,814 | 0 | 0 | 0 | 425 | 684 | 921 | -47.9% |
| 15. Other Care | 44,395 | 116,890 | 206,784 | 210,455 | 81,395 | 213,221 | 217,625 | 30.3% |
| 16. Personal Care Support Services | 63,467 | 100,791 | 115,999 | 119,201 | 121,419 | 120,453 | 123,688 | 11.8% |
| 17. Home/Community Based Waiver Services | 3,820 | 0 | 0 | 0 | 285 | 285 | 307 | -34.3% |
| 18. Prepaid Health Care | 449,825 | 481,302 | 507,109 | 534,929 | 568,080 | 542,214 | 557,768 | 3.6% |
| 19. Primary Care Case Management (PCCM) Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| Total* | 561,085 | 616,243 | 664,576 | 634,273 | 692,539 | 667,225 | 686,575 | 3.4% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service. A new system for counting recipients now includes HMO recipients that have not been previously counted.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01**</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual Change</u> | <u>Share of Total FFY 04</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|------------------------------|
| 01. General Hospital | \$324,280,148 | \$414,027,277 | \$552,860,871 | \$521,438,517 | \$443,925,764 | \$573,017,317 | \$622,593,776 | 11.5% | 13.7% |
| 02. Mental Hospital | \$56,546,963 | \$91,425,580 | \$94,005,602 | \$94,377,684 | \$85,786,372 | \$102,519,958 | \$111,806,429 | 12.0% | 2.5% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$546,941,004 | \$555,986,281 | \$608,979,795 | \$687,569,111 | \$740,848,260 | \$749,040,539 | \$821,992,299 | 7.0% | 18.1% |
| 04. Intermediate Care for Mentally Retarded | \$55,095,149 | \$52,351,664 | \$57,849,332 | \$58,895,626 | \$54,144,361 | \$64,912,939 | \$71,403,032 | 4.4% | 1.6% |
| 05. Physician Services | \$46,541,325 | \$102,204,514 | \$148,195,731 | \$155,388,195 | \$57,908,926 | \$166,815,724 | \$177,783,288 | 25.0% | 3.9% |
| 06. Dental Services | \$354,031 | \$7,368,928 | \$3,162,591 | \$3,909,032 | \$251,199 | \$4,271,049 | \$4,585,709 | 53.2% | 0.1% |
| 07. Other Practitioners | \$1,016,724 | \$1,282,106 | \$1,293,615 | \$1,487,928 | \$1,432,974 | \$1,656,722 | \$1,807,172 | 10.1% | 0.0% |
| 08. Outpatient Hospital | \$53,105,201 | \$106,336,425 | \$167,264,324 | \$180,813,853 | \$99,426,292 | \$194,924,770 | \$208,033,081 | 25.6% | 4.6% |
| 09. Clinic Services | \$6,643,345 | \$6,728,513 | \$9,083,590 | \$14,161,429 | \$9,334,595 | \$17,192,412 | \$18,349,470 | 18.5% | 0.4% |
| 10. Lab and X-Ray | \$3,137,857 | \$4,294,907 | \$10,066,063 | \$11,181,365 | \$3,205,777 | \$11,953,406 | \$12,656,961 | 26.2% | 0.3% |
| 11. Home Health | \$48,456,286 | \$190,672,414 | \$224,242,460 | \$272,309,723 | \$271,249,461 | \$292,601,475 | \$314,020,925 | 36.5% | 6.9% |
| 12. Prescribed Drugs | \$148,532,940 | \$291,435,049 | \$374,121,433 | \$417,080,496 | \$320,313,995 | \$446,681,181 | \$480,467,845 | 21.6% | 10.6% |
| 13. Family Planning | \$4,613,117 | \$701,266 | \$2,541,543 | \$2,842,858 | \$794,833 | \$3,331,823 | \$3,653,893 | -3.8% | 0.1% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$73,840,753 | \$0 | \$0 | \$0 | \$0 | \$3,118,886 | \$5,993,257 | -34.2% | 0.1% |
| 15. Other Care | \$35,058,148 | \$55,104,230 | \$114,433,801 | \$107,874,033 | \$78,314,572 | \$116,247,320 | \$124,398,779 | 23.5% | 2.7% |
| 16. Personal Care Support Services | \$79,099,039 | \$321,959,694 | \$306,345,343 | \$335,151,875 | \$369,469,292 | \$351,464,638 | \$380,746,614 | 29.9% | 8.4% |
| 17. Home/Community Based Waiver Services | \$154,029,172 | \$0 | \$0 | \$0 | \$0 | \$8,868,394 | \$14,909,260 | -32.2% | 0.3% |
| 18. Prepaid Health Care | \$851,988,946 | \$842,484,831 | \$911,334,953 | \$990,520,806 | \$1,125,683,311 | \$1,066,349,188 | \$1,175,548,609 | 5.5% | 25.8% |
| 19. Primary Case Management (PCCM) Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$2,489,280,148 | \$3,044,363,679 | \$3,585,781,047 | \$3,855,002,531 | \$3,662,089,984 | \$4,174,967,741 | \$4,550,750,399 | 10.6% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLC | |
|---|-------------|-------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------------|
| | | | | | | | | | <u>Avg. FFY 04</u> |
| 01. General Hospital | \$7,507.18 | \$8,497.92 | \$7,535.76 | \$7,337.69 | \$8,912.74 | \$7,932.24 | \$8,408.09 | 1.9% | 72.4% |
| 02. Mental Hospital | \$30,950.72 | \$27,283.07 | \$28,246.88 | \$29,932.66 | \$29,880.31 | \$31,769.43 | \$33,707.09 | 1.4% | 91.9% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$19,650.10 | \$19,913.55 | \$22,331.49 | \$30,778.87 | \$29,433.78 | \$32,815.23 | \$34,830.18 | 10.0% | 59.7% |
| 04. Intermediate Care for Mentally Retarded | \$87,871.05 | \$88,134.11 | \$103,118.24 | \$107,278.01 | \$106,793.61 | \$115,915.96 | \$123,748.76 | 5.9% | 48.8% |
| 05. Physician Services | \$228.67 | \$323.54 | \$372.09 | \$377.14 | \$378.51 | \$399.07 | \$415.77 | 10.5% | -21.8% |
| 06. Dental Services | \$40.58 | \$488.53 | \$175.69 | \$108.91 | \$145.37 | \$117.63 | \$124.30 | 20.5% | -62.5% |
| 07. Other Practitioners | \$53.09 | \$62.26 | \$57.21 | \$62.15 | \$70.16 | \$67.97 | \$72.18 | 5.3% | -59.1% |
| 08. Outpatient Hospital | \$504.10 | \$700.16 | \$733.75 | \$798.13 | \$948.05 | \$848.05 | \$884.76 | 9.8% | 49.2% |
| 09. Clinic Services | \$166.51 | \$171.07 | \$187.44 | \$230.39 | \$289.65 | \$274.99 | \$286.93 | 9.5% | -60.8% |
| 10. Lab and X-Ray | \$62.49 | \$109.54 | \$142.00 | \$110.68 | \$84.12 | \$116.77 | \$121.24 | 11.7% | -33.7% |
| 11. Home Health | \$5,971.94 | \$18,728.26 | \$19,006.82 | \$18,399.31 | \$16,769.67 | \$19,458.77 | \$20,363.20 | 22.7% | 875.1% |
| 12. Prescribed Drugs | \$842.01 | \$842.93 | \$913.58 | \$1,008.04 | \$1,768.70 | \$1,064.37 | \$1,144.87 | 5.3% | -14.9% |
| 13. Family Planning | \$241.01 | \$1,245.59 | \$1,744.37 | \$1,859.29 | \$449.06 | \$1,882.39 | \$1,921.08 | 41.3% | 170.1% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$1,611.75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$4,559.77 | \$6,507.34 | 26.2% | 1422.8% |
| 15. Other Care | \$789.69 | \$471.42 | \$553.40 | \$512.58 | \$962.15 | \$545.20 | \$571.62 | -5.2% | -71.5% |
| 16. Personal Care Support Services | \$1,246.30 | \$3,194.33 | \$2,640.93 | \$2,811.65 | \$3,042.93 | \$2,917.86 | \$3,078.28 | 16.3% | 128.6% |
| 17. Home/Community Based Waiver Services | \$40,321.77 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$31,117.17 | \$48,564.36 | 3.1% | 1469.6% |
| 18. Prepaid Health Care | \$1,894.05 | \$1,750.43 | \$1,797.12 | \$1,851.69 | \$1,981.56 | \$1,966.66 | \$2,107.59 | 1.8% | 77.5% |
| 19. Primary Case Management (PCCM) Services | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| Total (Average) | \$4,436.55 | \$4,940.20 | \$5,395.59 | \$6,077.83 | \$5,287.92 | \$6,257.21 | \$6,628.19 | 6.9% | 62.2% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|--------------|
| TOTAL PER CAPITA EXPENDITURES | \$550.41 | \$610.13 | \$663.20 | \$701.35 | \$765.44 | \$898.35 | \$873.38 | 8.0% | -0.3% |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|--------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 are projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 274,117 | 230,948 | 201,428 | 196,879 | 198,699 | 210,278 | 216,898 | -3.8% | 31.6% |
| Poverty Related Eligibles | 142,031 | 228,953 | 283,076 | 317,319 | 342,041 | 328,369 | 336,651 | 15.5% | 49.0% |
| Medically Needy | 49,892 | 57,621 | 75,838 | 75,224 | 81,588 | 79,092 | 81,207 | 8.5% | 11.8% |
| Other Eligibles | 69,419 | 50,713 | 56,802 | 44,851 | 48,681 | 48,269 | 49,877 | -5.4% | 7.3% |
| Maintenance Assistance Status Unknown | 25,626 | 48,008 | 47,432 | 0 | 21,530 | 1,217 | 1,942 | -34.9% | 0.3% |
| Total* | 561,085 | 616,243 | 664,576 | 634,273 | 692,539 | 667,225 | 686,575 | 3.4% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 148,963 | 151,240 | 152,130 | 152,165 | 164,398 | 160,901 | 165,591 | 1.8% | 24.1% |
| Children | 264,965 | 308,892 | 348,322 | 369,326 | 375,260 | 386,049 | 396,404 | 6.9% | 57.7% |
| Foster Care Children | 15,219 | 15,046 | 15,423 | 15,709 | 16,373 | 16,326 | 16,801 | 1.7% | 2.4% |
| Adults | 106,312 | 93,057 | 101,269 | 97,073 | 136,405 | 102,731 | 105,944 | -0.1% | 15.4% |
| Basis of Eligibility Unknown | 25,626 | 48,008 | 47,432 | 0 | 103 | 1,218 | 1,835 | -35.6% | 0.3% |
| Total* | 561,085 | 616,243 | 664,576 | 634,273 | 692,539 | 667,225 | 686,575 | 3.4% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 23,208 | 24,009 | 25,204 | 25,710 | 27,185 | 27,781 | 28,553 | 3.5% | 4.2% |
| Age 1 to 5 | 102,693 | 107,983 | 116,242 | 123,560 | 132,846 | 129,137 | 132,731 | 4.4% | 19.3% |
| Age 6 to 14 | 133,175 | 154,867 | 170,700 | 181,039 | 192,143 | 188,634 | 193,782 | 6.5% | 28.2% |
| Age 15 to 20 | 50,928 | 62,103 | 73,264 | 78,687 | 85,199 | 81,955 | 84,135 | 8.7% | 12.3% |
| Age 21 to 44 | 128,022 | 119,112 | 128,543 | 121,216 | 125,722 | 127,927 | 131,713 | 0.5% | 19.2% |
| Age 45 to 64 | 44,058 | 44,009 | 46,429 | 46,827 | 50,610 | 49,418 | 50,837 | 2.4% | 7.4% |
| Age 65 to 74 | 23,068 | 22,390 | 22,766 | 22,862 | 22,650 | 24,250 | 24,946 | 1.3% | 3.6% |
| Age 75 to 84 | 19,948 | 19,978 | 20,377 | 20,753 | 21,158 | 21,957 | 22,583 | 2.1% | 3.3% |
| Age 85 and Over | 14,168 | 13,783 | 13,619 | 13,619 | 13,487 | 14,987 | 15,409 | 1.4% | 2.2% |
| Age Unknown | 21,817 | 48,009 | 47,432 | 0 | 21,539 | 1,179 | 1,886 | -33.5% | 0.3% |
| Total* | 561,085 | 616,243 | 664,576 | 634,273 | 692,539 | 667,225 | 686,575 | 3.4% | 100.0% |
| By Race | | | | | | | | | |
| White | 184,348 | 194,285 | 202,094 | 191,135 | 222,486 | 202,191 | 208,227 | 2.1% | 30.3% |
| Black | 307,223 | 316,525 | 387,564 | 371,544 | 362,229 | 389,536 | 400,304 | 4.5% | 58.3% |
| Hispanic, American Indian or Asian | 31,710 | 38,951 | 49,200 | 47,304 | 63,314 | 49,478 | 50,890 | 8.2% | 7.4% |
| Other/Unknown | 37,804 | 66,482 | 25,718 | 24,290 | 44,510 | 26,020 | 27,154 | -5.4% | 4.0% |
| Total* | 561,085 | 616,243 | 664,576 | 634,273 | 692,539 | 667,225 | 686,575 | 3.4% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 329,915 | 340,962 | 372,698 | 354,757 | 394,479 | 373,840 | 384,769 | 2.6% | 56.0% |
| Male | 209,354 | 227,281 | 258,891 | 247,437 | 276,530 | 259,949 | 267,412 | 4.2% | 38.9% |
| Unknown | 21,816 | 48,000 | 32,987 | 32,079 | 21,530 | 33,436 | 34,394 | n/a | 5.0% |
| Total* | 561,085 | 616,243 | 664,576 | 634,273 | 692,539 | 667,225 | 686,575 | 3.4% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MISIS data for FFY 99-02. FFY 03 and 04 are projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$1,233,921,421 | \$1,530,917,326 | \$1,673,251,254 | \$1,782,002,419 | \$1,564,018,927 | \$1,932,227,602 | \$2,107,670,711 | 9.3% | 46.3% |
| Poverty Related Eligibles | \$231,634,487 | \$389,231,287 | \$580,952,121 | \$697,644,828 | \$633,365,061 | \$791,165,277 | \$851,184,969 | 24.2% | 18.7% |
| Medically Needy | \$798,379,206 | \$866,961,716 | \$1,018,429,969 | \$1,110,661,049 | \$1,165,942,723 | \$1,160,856,908 | \$1,271,384,948 | 8.1% | 27.9% |
| Other Eligibles | \$189,104,492 | \$209,545,429 | \$241,266,293 | \$264,694,235 | \$266,065,427 | \$287,826,521 | \$314,161,975 | 8.8% | 6.9% |
| Maintenance Assistance Status Unknown | \$36,240,542 | \$47,707,921 | \$71,881,410 | \$0 | \$32,697,846 | \$2,891,433 | \$6,347,796 | -25.2% | 0.1% |
| Total* | \$2,489,280,148 | \$3,044,363,679 | \$3,585,781,047 | \$3,855,002,531 | \$3,662,089,984 | \$4,174,967,741 | \$4,550,750,399 | 10.6% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,787,572,156 | \$2,116,969,817 | \$2,359,643,226 | \$2,547,177,259 | \$2,487,679,379 | \$2,768,223,066 | \$3,022,228,685 | 9.1% | 66.4% |
| Children | \$386,698,407 | \$517,461,054 | \$669,496,146 | \$761,700,764 | \$681,829,215 | \$817,876,552 | \$887,124,365 | 14.8% | 19.5% |
| Foster Care Children | \$40,001,794 | \$70,734,001 | \$77,005,141 | \$86,726,340 | \$83,149,600 | \$91,825,457 | \$99,940,814 | 16.5% | 2.2% |
| Adults | \$238,767,249 | \$291,490,886 | \$407,755,124 | \$459,398,168 | \$376,568,556 | \$494,151,233 | \$535,105,752 | 14.4% | 11.8% |
| Basis of Eligibility Unknown | \$36,240,542 | \$47,707,921 | \$71,881,410 | \$0 | \$32,863,234 | \$2,891,433 | \$6,350,783 | -25.2% | 0.1% |
| Total* | \$2,489,280,148 | \$3,044,363,679 | \$3,585,781,047 | \$3,855,002,531 | \$3,662,089,984 | \$4,174,967,741 | \$4,550,750,399 | 10.6% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$59,865,791 | \$70,239,065 | \$83,226,495 | \$82,700,168 | \$63,387,157 | \$95,407,728 | \$103,620,303 | 9.6% | 2.3% |
| Age 1 to 5 | \$176,722,191 | \$207,853,172 | \$263,420,671 | \$285,295,249 | \$239,119,095 | \$306,794,138 | \$333,503,400 | 11.2% | 7.3% |
| Age 6 to 14 | \$242,862,808 | \$354,299,623 | \$398,797,163 | \$457,735,072 | \$452,597,146 | \$491,434,113 | \$534,728,660 | 14.1% | 11.8% |
| Age 15 to 20 | \$154,004,636 | \$235,138,012 | \$296,430,481 | \$333,243,532 | \$304,072,244 | \$356,712,822 | \$387,040,557 | 16.6% | 8.5% |
| Age 21 to 44 | \$641,599,245 | \$810,474,278 | \$957,463,422 | \$1,041,361,655 | \$896,698,058 | \$1,125,239,365 | \$1,224,059,648 | 11.4% | 26.9% |
| Age 45 to 64 | \$472,837,550 | \$592,913,686 | \$693,208,421 | \$767,096,800 | \$707,044,264 | \$827,400,393 | \$900,718,846 | 11.3% | 19.8% |
| Age 65 to 74 | \$201,989,548 | \$205,646,862 | \$237,262,529 | \$242,726,634 | \$258,047,355 | \$265,127,934 | \$290,602,065 | 6.2% | 6.4% |
| Age 75 to 84 | \$245,346,175 | \$251,282,637 | \$289,032,078 | \$317,065,911 | \$355,289,349 | \$345,152,978 | \$377,711,908 | 7.5% | 8.3% |
| Age 85 and Over | \$266,497,836 | \$268,761,076 | \$295,058,377 | \$327,777,510 | \$353,121,561 | \$358,969,113 | \$392,738,124 | 6.7% | 8.6% |
| Age Unknown | \$27,554,368 | \$47,755,268 | \$71,881,410 | \$0 | \$32,713,755 | \$2,729,157 | \$6,026,888 | -22.4% | 0.1% |
| Total* | \$2,489,280,148 | \$3,044,363,679 | \$3,585,781,047 | \$3,855,002,531 | \$3,662,089,984 | \$4,174,967,741 | \$4,550,750,399 | 10.6% | 100.0% |
| By Race | | | | | | | | | |
| White | \$1,131,688,380 | \$1,342,453,679 | \$1,601,439,292 | \$1,722,520,627 | \$1,602,359,574 | 1,869,942,784 | \$2,037,333,873 | 10.3% | 44.8% |
| Black | \$1,174,483,476 | \$1,451,209,685 | \$1,699,828,452 | \$1,827,111,555 | \$1,712,279,987 | 1,976,705,539 | \$2,154,410,762 | 10.6% | 47.3% |
| Hispanic, American Indian or Asian | \$94,097,261 | \$117,329,952 | \$136,131,461 | \$146,231,204 | \$184,965,172 | 157,897,088 | \$173,004,100 | 10.7% | 3.8% |
| Other/ Unknown | \$89,011,031 | \$133,370,363 | \$148,381,842 | \$159,139,145 | \$162,485,251 | 170,422,330 | \$186,001,664 | 13.1% | 4.1% |
| Total* | \$2,489,280,148 | \$3,044,363,679 | \$3,585,781,047 | \$3,855,002,531 | \$3,662,089,984 | \$4,174,967,741 | \$4,550,750,399 | 10.6% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$1,458,030,690 | \$1,740,286,124 | \$2,055,800,237 | \$2,210,692,047 | \$2,123,409,656 | 2,395,645,408 | \$2,612,032,094 | 10.2% | 57.4% |
| Male | \$1,003,696,022 | \$1,256,659,867 | \$1,479,123,393 | \$1,589,974,435 | \$1,505,982,482 | 1,721,639,146 | \$1,876,150,007 | 11.0% | 41.2% |
| Unknown | \$27,553,436 | \$47,417,688 | \$50,857,417 | \$54,336,049 | \$32,697,846 | 57,683,187 | \$62,568,298 | n/a | 1.4% |
| Total* | \$2,489,280,148 | \$3,044,363,679 | \$3,585,781,047 | \$3,855,002,531 | \$3,662,089,984 | \$4,174,967,741 | \$4,550,750,399 | 10.6% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 are projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLIC Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|--------------|-------------|-------------|------------------|---|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$4,501.44 | \$6,628.84 | \$8,306.94 | \$9,051.26 | \$7,871.30 | \$9,188.92 | \$9,717.34 | 13.7% | 57.7% |
| Poverty Related Eligibles | \$1,630.87 | \$1,700.05 | \$2,052.28 | \$2,198.56 | \$1,851.72 | \$2,409.38 | \$2,528.39 | 7.6% | 40.5% |
| Medically Needy | \$16,002.15 | \$15,045.93 | \$13,429.02 | \$14,764.72 | \$14,290.62 | \$14,677.30 | \$15,656.10 | -0.4% | 147.3% |
| Other Eligibles | \$2,724.10 | \$4,131.99 | \$4,247.50 | \$5,901.64 | \$5,465.49 | \$5,962.97 | \$6,298.73 | 15.0% | -12.1% |
| Maintenance Assistance Status Unknown | \$1,414.21 | \$993.75 | \$1,515.46 | \$0.00 | \$1,518.71 | \$2,375.87 | \$3,268.69 | 15.0% | 32.0% |
| Total | \$4,436.55 | \$4,940.20 | \$5,395.59 | \$6,077.83 | \$5,287.92 | \$6,257.21 | \$6,628.19 | 6.9% | 62.2% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$12,000.11 | \$13,997.42 | \$15,510.70 | \$16,739.57 | \$15,132.05 | \$17,204.51 | \$18,251.17 | 7.2% | 66.8% |
| Children | \$1,459.43 | \$1,675.22 | \$1,922.06 | \$2,062.41 | \$1,816.95 | \$2,118.58 | \$2,237.93 | 7.4% | 56.0% |
| Foster Care Children | \$2,628.41 | \$4,701.18 | \$4,992.88 | \$5,520.81 | \$5,078.46 | \$5,624.49 | \$5,948.50 | 14.6% | -12.1% |
| Adults | \$2,245.91 | \$3,132.39 | \$4,026.46 | \$4,732.50 | \$2,760.67 | \$4,810.15 | \$5,050.84 | 14.5% | 92.2% |
| Basis of Eligibility Unknown | \$1,414.21 | \$993.75 | \$1,515.46 | \$0.00 | \$319,060.52 | \$2,373.92 | \$3,460.92 | 16.1% | 39.3% |
| Total | \$4,436.55 | \$4,940.20 | \$5,395.59 | \$6,077.83 | \$5,287.92 | \$6,257.21 | \$6,628.19 | 6.9% | 62.2% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,579.53 | \$2,925.53 | \$3,302.11 | \$3,216.65 | \$2,331.70 | \$3,434.28 | \$3,629.05 | 5.9% | 3.5% |
| Age 1 to 5 | \$1,720.88 | \$1,924.87 | \$2,266.14 | \$2,308.96 | \$1,799.97 | \$2,375.73 | \$2,512.63 | 6.5% | 43.6% |
| Age 6 to 14 | \$1,823.64 | \$2,287.77 | \$2,336.25 | \$2,528.38 | \$2,355.52 | \$2,605.23 | \$2,759.43 | 7.1% | 67.2% |
| Age 15 to 20 | \$3,023.97 | \$3,786.26 | \$4,046.06 | \$4,235.05 | \$3,568.96 | \$4,352.54 | \$4,600.23 | 7.2% | 77.9% |
| Age 21 to 44 | \$5,011.63 | \$6,804.30 | \$7,448.58 | \$8,590.96 | \$7,132.39 | \$8,795.95 | \$9,293.39 | 10.8% | 87.8% |
| Age 45 to 64 | \$10,732.16 | \$13,472.56 | \$14,930.51 | \$16,381.51 | \$13,970.45 | \$16,742.90 | \$17,717.78 | 8.7% | 87.2% |
| Age 65 to 74 | \$8,756.27 | \$9,184.76 | \$10,421.79 | \$10,617.03 | \$11,392.82 | \$10,933.11 | \$11,649.24 | 4.9% | 52.1% |
| Age 75 to 84 | \$12,299.29 | \$12,577.97 | \$14,184.23 | \$15,278.08 | \$16,792.20 | \$15,719.50 | \$16,725.50 | 5.3% | 51.0% |
| Age 85 and Over | \$18,809.84 | \$19,499.46 | \$21,665.20 | \$24,067.66 | \$26,182.37 | \$23,952.03 | \$25,487.58 | 5.2% | 52.4% |
| Age Unknown | \$1,262.98 | \$994.71 | \$1,515.46 | \$0.00 | \$1,518.81 | \$2,314.81 | \$3,195.59 | 16.7% | 18.7% |
| Total | \$4,436.55 | \$4,940.20 | \$5,395.59 | \$6,077.83 | \$5,287.92 | \$6,257.21 | \$6,628.19 | 6.9% | 62.2% |
| By Race | | | | | | | | | |
| White | \$6,138.87 | \$6,909.71 | \$7,924.23 | \$9,012.06 | \$7,202.07 | \$9,248.40 | \$9,784.20 | 8.1% | 93.2% |
| Black | \$3,822.90 | \$4,584.82 | \$4,385.93 | \$4,917.62 | \$4,727.06 | \$5,074.51 | \$5,381.94 | 5.9% | 59.0% |
| Hispanic, American Indian or Asian | \$2,967.43 | \$3,012.24 | \$2,766.90 | \$3,091.31 | \$2,921.39 | \$3,191.26 | \$3,399.57 | 2.3% | 28.6% |
| Other/ Unknown | \$2,354.54 | \$2,006.11 | \$5,769.57 | \$6,551.63 | \$3,650.53 | \$6,549.67 | \$6,849.88 | 19.5% | 53.8% |
| Total | \$4,436.55 | \$4,940.20 | \$5,395.59 | \$6,077.83 | \$5,287.92 | \$6,257.21 | \$6,628.19 | 6.9% | 62.2% |
| By Sex | | | | | | | | | |
| Female | \$4,419.41 | \$5,104.05 | \$5,515.99 | \$6,231.57 | \$5,382.82 | \$6,408.21 | \$6,788.57 | 7.4% | 60.9% |
| Male | \$4,794.25 | \$5,529.10 | \$5,713.31 | \$6,425.77 | \$5,446.00 | \$6,622.99 | \$7,015.95 | 6.6% | 72.4% |
| Unknown | \$1,262.99 | \$987.87 | \$1,541.74 | \$1,693.82 | \$1,518.71 | \$1,725.18 | \$1,819.16 | n/a | -31.4% |
| Total | \$4,436.55 | \$4,940.20 | \$5,395.59 | \$6,077.83 | \$5,287.92 | \$6,257.21 | \$6,628.19 | 6.9% | 62.2% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-02. FFY 03 and 04 are projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Maryland's Medicaid managed care program is called HealthChoice. Under a §1115 waiver, approved on October 30, 1996, HealthChoice enrollment began in June of 1997. Within the program, there was a State Fiscal Year 2004 average enrollment of 510,000 recipients in MCOs, which includes Medicaid and Maryland Children's management to an expanded set of benefits known as optional services.

- **The Rare and Expensive Case Management Program (REM):** The REM, as part of HealthChoice Program, was developed to address the special requirements of waiver eligible individuals diagnosed with rare and expensive conditions and diseases. In addition to standard Medicaid benefits, this program provides intensive case management to an expanded set of benefits known as optional services. As of May 2005, 3,437 individuals were enrolled in the program.
- **Stop Loss Case Management (SLM) Program:** Under the HealthChoice Program, a Managed Care Organization (MCO) may apply for stop loss protection when the plan is to be submitted to the Maryland Insurance Administration. There is one MCO for which the Department of Health and Mental Hygiene provides stop-loss protection at a rate determined by the Department. The Department assumes responsibility for 90% of the accrued inpatient hospital costs in excess of \$30,000; the MCO is responsible for the remaining 10%. The Department provides for extended stop-loss coverage if an enrollee remains hospitalized at the end of a calendar year and the costs for that stay exceed the \$30,000 threshold in the following calendar year.
- **Pharmacy Point-of-Sale:** The pharmacy electronic point-of-sale claims management and prospective drug utilization review system began January 1993. This successful system provides on-line real time pharmacy claims adjudication for all outpatient prescription drugs for the fee-for service Medicaid population. Additionally, this system also has an enhanced feature called Coordinated PRO DUR which checks for drug interactions or conflicts with dispensing of medication and for inappropriate utilization. PRO DUR is available to both the Medicaid fee-for-service population and to the HealthChoice population.

Several Home and Community Based Service Waivers under Section 1915 (c) enable the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- **Waiver For Older Adults:** Provides services to individuals, aged 50 and above, in participating licensed assisted living facilities or in their own homes. The waiver currently serves approximately 3,000 individuals.
- **Waiver For Individuals With Developmental Disabilities:** For developmentally disabled individuals as an alternative to institutionalization in an ICF/MR. This waiver serves over 7,500 individuals and has been in operation since April 1, 1984.
- **Model Waiver For Disabled Children:** For medically-fragile/technology-dependent children so that they can be cared for at home. This waiver serves approximately 200 individuals and has been in operation since January 1, 1985. This waiver is capped at 200 slots.
- **Traumatic Brain Injury (TBI) Waiver:** Targets individuals aged 22-64 who have suffered traumatic brain injuries that occurred on or after age 22. These individuals must meet a hospital or nursing home level of care. The waiver became effective July 1, 2003 and is capped at 10 slots.
- **Waiver For Children With Autism Spectrum Disorder:** Targets children age 1-21 who are diagnosed with Autism Spectrum Disorder and who require an ICF/MR level of care. This waiver became effective July 1, 2001 and currently serves over 800 children.

SOUTHERN REGION MEDICAID PROFILE

Waivers (Continued)

- **Waiver For Adults With Physical Disabilities:** Targets persons aged 21-59 who meet nursing home level of care. It became effective in April 2001 and serves approximately 850 individuals.

Managed Care

- **Capitation:** For most covered services, MCO's are paid by the state through actuarially sound, risk-adjusted capitation rates. The Adjusted Clinical Group (ACG) System is the health-based, risk-adjusted system used as the basis for developing the State's payments.
- **Self-referred Services:** Some covered services may, at the enrollee's option, be delivered by an out-of-plan provider at the MCO's expense. The services that an enrollee has the right to access on a self-referral basis include: 1) Specified family planning services including office visits; 2) Specified services provided by a school-based health center; 3) Pregnancy-related services when a new HealthChoice enrollee has an established out-of-network provider; 4) Initial medical examination of children in State custody; 5) Annual HIV / AIDS diagnosis and evaluation service (DES); 6) Renal dialysis; 7) The initial examination of a newborn before discharge from a hospital if performed by an out-of-network on-call hospital provider; and 8) Pharmaceutical and laboratory services, when provided in connection with a legitimately self-referred service, provided on-site where the self-referred services were performed, and by the same out of plan provider.
- **Specialty Mental Health (SMH) System:** Specialty mental health services are provided through Specialty Mental Health System, which is administered by the Mental Hygiene Administration (MHA), in conjunction with local Core Services Agencies. The Administrative Services Organization (ASO), Maryland Health Partners, provides administrative services for this system. It enrolls patients, coordinates benefits, and pre-authorizes services. The services provided under this system are reimbursed by the State on a fee-for-service basis. Recipients can be referred by their primary care provider to Maryland Health Partners for entry into the Specialty Mental Health System, or they can self-refer.

Coverage for Targeted Population

- **Maryland Pharmacy Assistance Program:** A pharmacy benefit program for certain low-income Maryland residents not eligible for Medicaid that began in 1979. The program provides coverage for all Medicaid-formulary drugs (currently there is a \$5.00 co-pay each prescription and each refill; beginning on October 1, 2003, the pay amount will change to \$2.50 for each prescription for generic drugs and brand-name drugs on the State's preferred drug list, and \$7.50 for brand-name drugs not on the State's preferred drug list). Eligibility is based on an income standard of \$10,417 for individuals (\$12,120 for a couple) and assets less than \$4,000 (\$6,000 for a couple). The program is funded with 50% state dollars and 50% federal dollars.
- **Maryland Pharmacy Discount Program:** A pharmacy subsidy program for certain low-income Maryland residents on Medicare as permitted by a \$1115 waiver amendment. Enrollees pay 65% of the Medicaid price for each prescription and each refill (plus a \$1 processing fee paid to the pharmacist), and the State pays the remaining 35%. Eligibility is based on an income standard of \$15,715 for individuals (\$21,210 for a couple). The program began on July 1, 2003 and is funded with 50% State dollars and 50% federal dollars.
- **Maryland AIDS Drug Assistance Program:** A pharmacy benefit program that helps low- and moderate-income Maryland residents pay for some drugs prescribed to treat HIV / AIDS. There is no co-pay, but there may be a monthly participation fee that depends on the enrollee's income. Eligibility is based on an income standard of \$35,920 a year (\$48,820 for a couple).
- **Maryland AIDS Insurance Assistance Program:** The State pays to maintain employee-based insurance coverage for HIV-positive individuals who can no longer work because of their illness, effective October 1997.

SOUTHERN REGION MEDICAID PROFILE

Coverage for Targeted Population (Continued)

- **Women's Breast and Cervical Cancer Health Program:** A program that pays for full coverage of medical services (physician, laboratory, pharmacy services, etc.) for women aged 40-64; not limited to cancer treatment services. Eligibility is limited to uninsured Maryland women or women who have insurance that does not cover cancer treatment and are not eligible for Medicaid or Medicare; they must have received screening services provided by the Centers for Disease Control Breast and Cervical Cancer Screening Program and have had a biopsy through the Maryland Breast and Cervical Cancer Screening Program or the Diagnosis and Treatment Program that resulted in a diagnosis of breast or cervical cancer, and require cancer treatment services. The program began on April 1, 2002 and is financed with State and federal dollars.

Cost Containment Measures

- **All-payer System:** In July of 1977, Maryland received a federal waiver for Medicare and Medicaid reimbursement requirements. Under the waiver, hospitals are paid rates that are approved by the Maryland Health Services Cost Review Commission (HSCRC). All rates must be set equitably and non-discriminatory for all purchasers of service. Under current rules, general hospitals are paid the approved rate minus a 6% discount.
- Established a Pharmaceutical and Therapeutics Committee to develop a preferred drug list for pharmacy programs (implement in stages beginning October 2003)
- Reduced average wholesale price for prescription drugs and placed a limit on the number of prescription drugs allowed per month.
- Created a tiered co-pay system for prescription drugs that charges \$0 for generic drugs and brand-name drugs on the preferred drug list, and \$2 for brand-name drugs not on the preferred drug list.
- Reduced reimbursement rates for nursing homes.

Medicaid

- 22 optional services are offered.
- Enacted legislation in 2001 for the following:
 1. Established performance incentive fund for Medicaid MCOs to keep funds collected from MCOs through sanctions and other penalties within a non-lapsing fund to promote established performance objectives of HealthChoice.
 2. Required the State to provide written provider directories to HealthChoice enrollees and providers, and to make the information available on the Internet as well; must be updated every 30 days.
 3. Repealed law requiring that State pay a federally-qualified health center (FQHC) the difference between the payment received by the center from a Medicaid MCO for services provided to enrollees and the reasonable cost to the center for providing those services; the State must adopt a methodology to ensure that FQHCs are paid reasonable cost-based reimbursement that is consistent with federal law.
 4. Required the state to allow HealthChoice enrollees to choose their MCO and primary care provider.
- Enacted legislation in 2002 for the following:
 1. Increased fees for selected physician provider codes and fee-for-service rates under Medicaid.
 2. Changed requirement that an employer offering health insurance must contribute at least 50% of the annual premiums for Maryland Children's Health Program Private Option Plan enrollee to at least 30% of the enrollee's annual premiums; also specifies that the state's cost of coverage for an MCHP Private Option Plan enrollee covered by employer health insurance cannot be greater than the cost of private coverage if the enrollee were covered by a HealthChoice MCO (if the cost is greater, the state must cover the enrollee through an MCO instead).
 3. Increased personal needs allowance for nursing home residents from \$40 to \$50 on July 1, 2003 and from \$50 to \$60 on July 1, 2004, and will be adjusted annually beginning July 1, 2005 to reflect percentage by which Social Security benefits are increased annually.
 4. Required the state to give public notice if it applies for a Medicaid waiver or modifies/amends an existing Medicaid waiver.
 5. Required nursing facilities to provide each resident with a one-page information sheet about home- and community-based waivers.

SOUTHERN REGION MEDICAID PROFILE

Medicaid (Continued)

• Enacted legislation in 2003 for the following:

1. Required the state to submit an application to CMS to receive federal matching funds under Medicaid for part of the non-room and board portion of the costs of all eligible residential care that are related to the therapeutic components of care provided to individuals under the age of 21.
2. Prevented the state from denying an individual access to a home and community-based services waiver due to lack of funding if: the individual is living in a nursing home at the time of application for waiver services; the nursing services for the individual were paid by Medicaid for at least 30 consecutive days prior to the application; and the individual meets all the eligibility criteria for participation in the home and community-based services waiver.
3. Expanded Medicaid coverage for individuals with disabilities to provide them with health coverage while they seek or maintain employment; program must be implemented by July 1, 2005 subject to available funding in the state budget.
4. Established task force to study the reorganization of the State Department of Health and Mental Hygiene, including the effects of moving the State's Medicaid program out of the Department.
5. Established Primary Adult Care Network within Medicaid to consolidate health care services provided to adults and access federal funding to expand primary and preventive care to adults lacking health care services, as permitted by federal law or waiver and subject to available funding in the state budget.
6. Changed co-pay under Maryland Pharmacy Assistance Program from \$5.00 to \$2.50 for each prescription for generic drugs and brand-name drugs on the state's preferred drug list, and \$7.50 for brand-name drugs not on the State's preferred drug list.
7. Required Medicaid to reimburse providers the entire amount of the program fee for outpatient mental health treatment, including the 37.5% amount withheld as a psychiatric exclusion along with any co-pay not covered under Medicare.
8. Required electronic reimbursement of pharmacies that are required to submit claims for payment electronically, if pharmacies choose to be reimbursed electronically.
9. Established special non-lapsing Maryland Trauma Physician Services Fund to subsidize the costs of uncompensated and under-compensated care (including amount of under-compensated care attributable to Medicaid enrollees) incurred by a trauma physician providing care to a patient on the State Trauma Registry and the costs incurred by a trauma center to maintain trauma physicians on-call.
10. Required nursing homes that receive payment from Medicaid to submit quarterly reports of their credit balances to the state, and the state must then conduct a third-party liability review of the reports (State may also conduct a third-party liability audit of a random sample of the reports); nursing homes that fail to submit quarterly reports are subject to a third-party liability audit.
11. Established toll-free Maryland Pharmacy Access Hotline for enrollees to call if they are having trouble getting necessary medicines.
12. Made permanent the exclusion of the nursing services component from the state's Medicaid nursing home reimbursement formula for leaves of absence or hospital leave ("bed-hold days").

Children's Health Insurance Program: Medicaid Expansion

- Maryland Children's Health Program: Lowered the income standard for the MCHP Premium program from 200% of the federal poverty level to 185% of poverty, and required children whose family income is between 185-200% of poverty to start paying a monthly premium for coverage, effective July 1, 2003; enrollment in MCHP Premium for children whose family income is between 200-300% of poverty is frozen effective July 1, 2003; and the Employer-Sponsored Insurance Program was eliminated as an enrollment option under MCHP Premium. As of September 2005, 82,590 eligibles were enrolled in the program.
- Amended the program in May 2004 to increase the income standard for the MCHP Premium Program from 185% to 200% of the FPL.

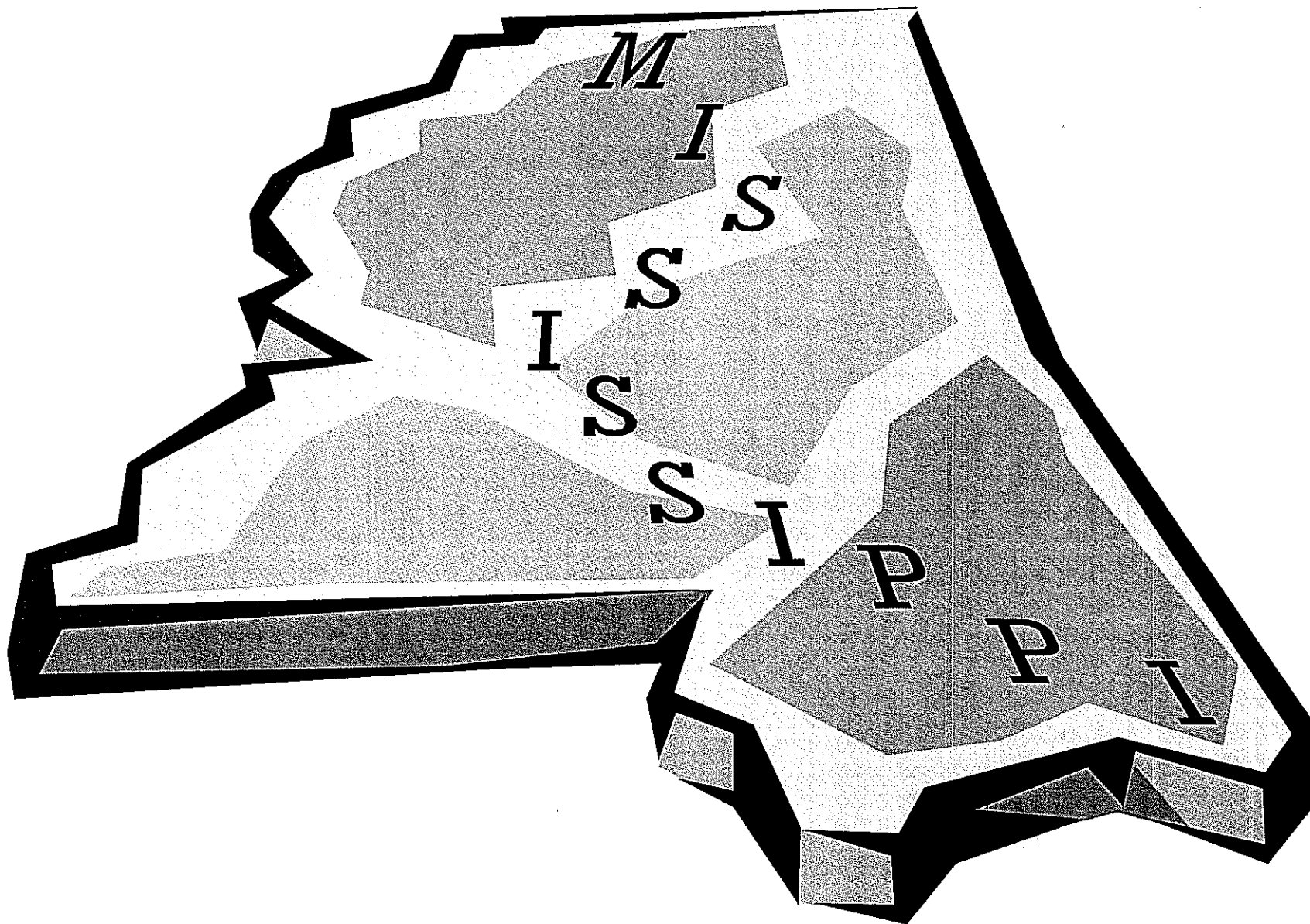
SOUTHERN REGION MEDICAID PROFILE

Tobacco Settlement

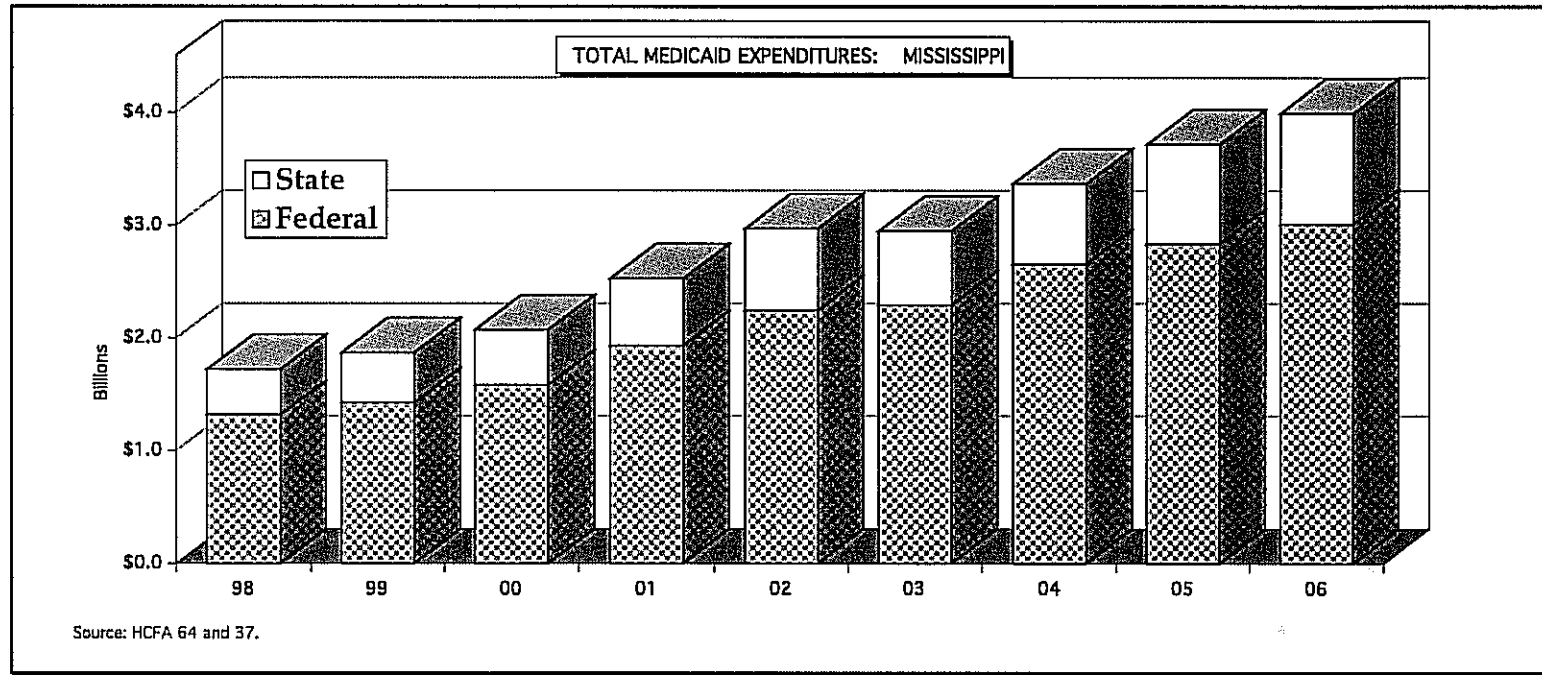
- The state expects to receive approximately \$4.0 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$704.5 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | MD | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$74,565,000 | 10.6% | \$1,813,423,000 | 4.6% |
| Health services | \$338,903,000 | 48.1% | \$11,824,057,000 | 29.9% |
| Long-term care | \$0 | 0.0% | \$2,200,066,000 | 5.6% |
| Health research | \$136,282,000 | 19.3% | \$1,472,863,000 | 3.7% |
| Education | \$120,577,000 | 17.1% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$5,000,000 | 0.7% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$29,200,000 | 4.1% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$0 | 0.0% | \$7,636,209,000 | 19.3% |
| Other | \$0 | 0.0% | \$10,048,868,000 | 25.4% |
| Total | \$704,527,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$1,655,615,964 | \$1,805,174,518 | \$2,006,699,000 | \$2,450,252,810 | \$2,882,310,335 | \$2,853,102,900 | \$3,284,724,191 | \$3,603,914,000 | \$3,861,157,000 | 11.2% | 133.2% |
| Federal Share | \$1,278,026,690 | \$1,388,137,686 | \$1,545,915,000 | \$1,884,881,153 | \$2,195,750,066 | \$2,227,264,436 | \$2,601,576,606 | \$2,769,311,000 | \$2,935,061,000 | 11.0% | 129.7% |
| State Share | \$377,589,274 | \$417,036,832 | \$460,784,000 | \$565,371,657 | \$686,560,269 | \$625,838,464 | \$683,147,585 | \$834,603,000 | \$926,096,000 | 11.9% | 145.3% |
| Administrative Costs | \$68,312,651 | \$65,017,894 | \$69,030,000 | \$77,574,664 | \$87,664,878 | \$94,898,736 | \$85,111,250 | \$112,700,000 | \$130,000,000 | 8.4% | 90.3% |
| Federal Share | \$40,819,467 | \$39,166,005 | \$41,815,000 | \$46,219,319 | \$52,422,363 | \$65,530,176 | \$54,223,262 | \$65,000,000 | \$76,475,000 | 8.2% | 87.3% |
| State Share | \$27,493,184 | \$25,851,889 | \$27,215,000 | \$31,355,345 | \$35,242,515 | \$29,368,560 | \$30,887,988 | \$47,700,000 | \$53,525,000 | 8.7% | 94.7% |
| Admin. Costs as % of Payments | 4.13% | 3.60% | 3.44% | 3.17% | 3.04% | 3.33% | 2.59% | 3.13% | 3.37% | | |
| Federal Match Rate* | 77.09% | 76.78% | 76.80% | 76.82% | 76.09% | 76.62% | 77.08% | 77.08% | 76.00% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|---------------|---------------|----------------|--------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$377,589,274 | \$633,111,071 | \$27,493,184 | \$30,887,988 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$50,036,514 | \$0 | \$0 |
| Donations | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$377,589,274 | \$683,147,585 | \$27,493,184 | \$30,887,988 |

Provider Taxes Currently in Place (FFY 04)

| | Tax Rate | Amount |
|-----------------|---------------------------------|--------------|
| Nursing homes | \$3.00 per patient day (7/1/02) | \$25,075,745 |
| Hospitals (IGT) | | \$24,960,769 |
| Total | | \$50,036,514 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Hospitals | \$183,879,961 | \$179,989,816 | \$177,778,000 | \$178,733,044 | \$189,419,753 | \$161,605,950 | \$186,063,560 | \$171,784,000 | \$129,175,000 | -5.2% |
| Mental Hospitals | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a |
| Total | \$183,879,961 | \$179,989,816 | \$177,778,000 | \$178,733,044 | \$189,419,753 | \$161,605,950 | \$186,063,560 | \$171,784,000 | \$129,175,000 | -5.2% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard (Net) | \$368 | 28.2% |
| Payment Standard | \$170 | 13.0% |
| Maximum Payment | \$170 | 13.0% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | N/A | |
| Resource Standard | | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and infants | | 185% |
| Children 1 to 5 | | 133% |
| Children 6 to 18 | | 100% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

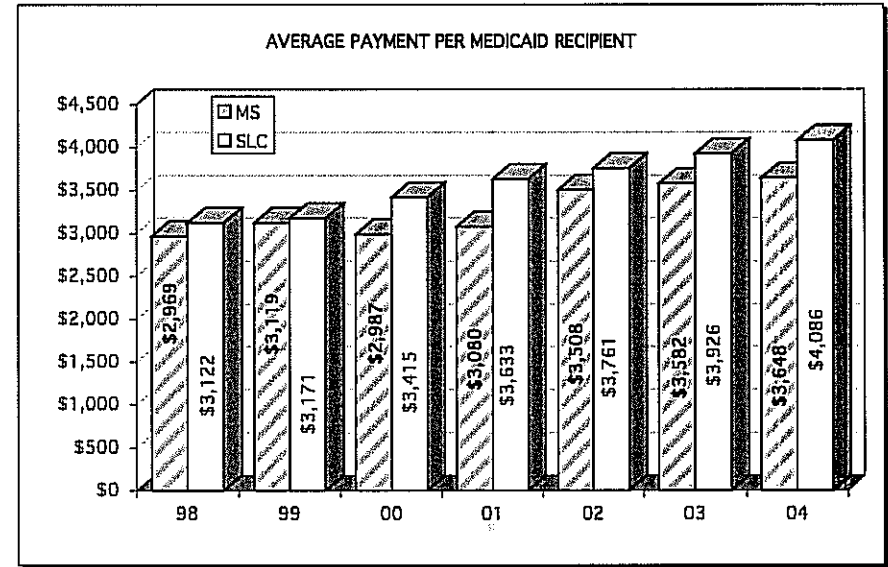
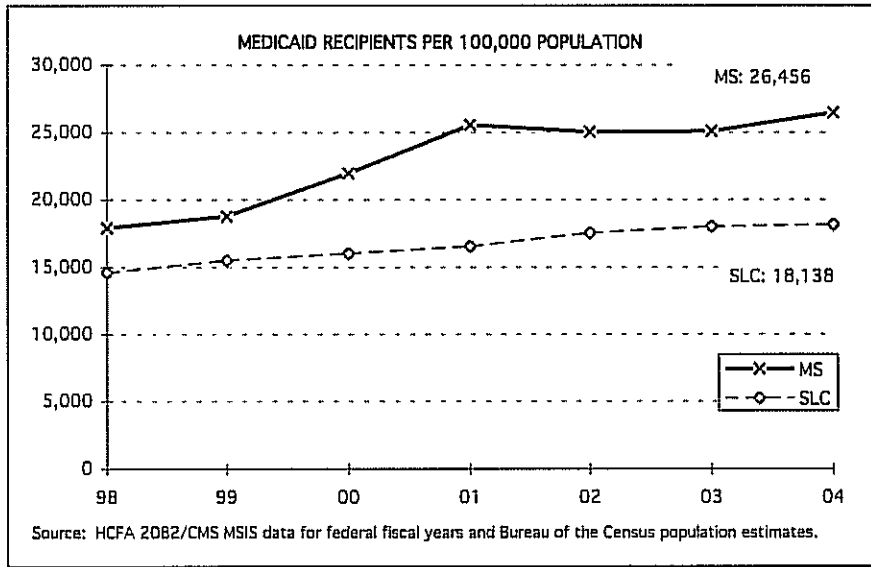
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 2,902,966 | 31 |
| Per capita personal income** | \$24,650 | 50 |
| Median household income** | \$31,887 | 49 |
| Population below Federal Poverty Level on July 1, 2003* | 519,631 | 50 |
| Percent of total state population | 17.9% | 3 |
| Population without health insurance coverage* | 511,000 | 28 |
| Percent of total state population | 17.6% | 11 |
| Recipients of Food Stamps*** | 375,502 | 23 |
| Households receiving Food Stamps*** | 151,186 | 25 |
| Total value of issuance*** | \$363,148,332 | 24 |
| Average monthly benefit per recipient | \$80.59 | 40 |
| Average monthly benefit per household | \$200.17 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 42,517 | 27 |
| Total TANF payments**** | \$32,176,932 | 49 |
| Average monthly payment per recipient | \$63.07 | 47 |
| Maximum monthly payment per family of 3 | \$120.00 | 50 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

| RECIPIENTS BY TYPE OF SERVICES | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|
| 01. General Hospital | 111,615 | 134,635 | 162,784 | 154,098 | 115,873 | 153,748 | 164,470 | 6.7% |
| 02. Mental Hospital | 2,334 | 2,688 | 3,323 | 1,480 | 1,789 | 2,278 | 2,457 | 0.9% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 19,552 | 23,909 | 23,217 | 20,483 | 19,864 | 20,429 | 22,070 | 2.0% |
| 04. Intermediate Care for Mentally Retarded | 2,490 | 2,985 | 2,848 | 2,889 | 2,741 | 2,751 | 2,966 | 3.0% |
| 05. Physician Services | 365,280 | 366,788 | 395,696 | 459,689 | 514,039 | 553,257 | 587,438 | 8.2% |
| 06. Dental Services | 24,282 | 92,449 | 107,403 | 136,078 | 156,833 | 162,566 | 171,316 | 38.5% |
| 07. Other Practitioners | 9,598 | 130,442 | 154,126 | 217,402 | 227,013 | 54,442 | 64,652 | 37.4% |
| 08. Outpatient Hospital | 177,966 | 266,840 | 316,224 | 416,610 | 404,422 | 478,047 | 504,572 | 19.0% |
| 09. Clinic Services | 134,967 | 167,083 | 183,670 | 209,568 | 246,728 | 277,010 | 292,705 | 13.8% |
| 10. Lab and X-Ray | 74,063 | 71,141 | 71,469 | 107,156 | 111,775 | 126,296 | 133,531 | 10.3% |
| 11. Home Health | 10,879 | 9,843 | 8,444 | 11,697 | 9,987 | 12,711 | 13,529 | 3.7% |
| 12. Prescribed Drugs | 368,609 | 375,585 | 415,925 | 478,404 | 514,042 | 547,268 | 547,268 | 6.8% |
| 13. Family Planning | 10,879 | 138 | 169 | 139 | 80 | 137 | 286 | -45.5% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 143,184 | 0 | 0 | 0 | 0 | 0 | 1,844 | -51.6% |
| 15. Other Care | 63,361 | 83,071 | 95,750 | 110,505 | 129,570 | 144,664 | 152,736 | 15.8% |
| 16. Personal Care Support Services | 4,430 | 50,521 | 66,495 | 90,182 | 114,627 | 138,154 | 144,133 | 78.7% |
| 17. Home/Community Based Waiver Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| 18. Prepaid Health Care | 17,628 | 16,425 | 9,111 | 0 | 0 | 0 | 556 | -43.8% |
| 19. Primary Care Case Management (PCCM) Services | 0 | 0 | 301,868 | 372,618 | 355,388 | 0 | 13,260 | -54.2% |
| Total* | 485,767 | 513,114 | 605,077 | 707,899 | 712,457 | 717,435 | 768,004 | 7.9% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual</u> <u>Change</u> | <u>Share of Total</u> <u>FFY 04</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------|--|
| 01. General Hospital | \$324,944,298 | \$331,119,693 | \$352,800,343 | \$397,703,534 | \$439,671,732 | \$445,436,019 | \$433,325,479 | 4.9% | 15.5% |
| 02. Mental Hospital | \$15,483,002 | \$15,161,853 | \$7,533,110 | \$9,453,352 | \$12,165,136 | \$13,393,639 | \$15,188,201 | -0.3% | 0.5% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$313,037,056 | \$349,920,112 | \$379,062,380 | \$403,054,856 | \$435,412,511 | \$467,721,464 | \$487,265,490 | 7.7% | 17.4% |
| 04. Intermediate Care for Mentally Retarded | \$125,503,877 | \$144,187,342 | \$156,657,841 | \$170,213,130 | \$176,810,009 | \$177,721,722 | \$198,067,908 | 7.9% | 7.1% |
| 05. Physician Services | \$179,155,371 | \$146,219,372 | \$165,218,996 | \$195,132,058 | \$235,122,205 | \$228,601,400 | \$208,052,164 | 2.5% | 7.4% |
| 06. Dental Services | \$2,746,014 | \$15,921,659 | \$26,221,636 | \$34,755,877 | \$39,952,803 | \$40,440,479 | \$43,460,821 | 58.5% | 1.6% |
| 07. Other Practitioners | \$522,487 | \$11,745,020 | \$15,487,591 | \$28,019,053 | \$28,807,496 | \$26,488,685 | \$28,614,231 | 94.9% | 1.0% |
| 08. Outpatient Hospital | \$69,828,913 | \$103,738,218 | \$117,244,679 | \$146,852,799 | \$192,837,032 | \$206,318,762 | \$180,973,891 | 17.2% | 6.5% |
| 09. Clinic Services | \$72,866,687 | \$91,643,982 | \$100,265,627 | \$132,843,901 | \$148,178,596 | \$159,926,285 | \$174,928,732 | 15.7% | 6.2% |
| 10. Lab and X-Ray | \$5,643,549 | \$5,257,577 | \$5,676,758 | \$8,703,374 | \$10,602,984 | \$9,199,736 | \$10,196,118 | 10.4% | 0.4% |
| 11. Home Health | \$11,727,240 | \$5,603,573 | \$8,985,498 | \$11,267,448 | \$14,297,524 | \$14,351,028 | \$15,876,518 | 5.2% | 0.6% |
| 12. Prescribed Drugs | \$231,735,360 | \$274,594,293 | \$370,355,016 | \$494,805,247 | \$568,084,274 | \$568,265,605 | \$643,898,385 | 18.6% | 23.0% |
| 13. Family Planning | \$0 | \$160,276 | \$163,532 | \$221,222 | \$229,765 | \$303,671 | \$323,906 | 15.1% | 0.0% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$21,663,630 | \$0 | \$0 | \$0 | \$0 | \$0 | \$958,263 | -40.5% | 0.0% |
| 15. Other Care | \$30,018,167 | \$67,875,848 | \$80,678,320 | \$117,842,696 | \$165,970,903 | \$182,275,100 | \$326,589,089 | 48.9% | 11.7% |
| 16. Personal Care Support Services | \$15,345,300 | \$10,664,494 | \$13,734,253 | \$20,401,508 | \$26,036,635 | \$29,332,559 | \$31,923,014 | 13.0% | 1.1% |
| 17. Home/Community Based Waiver Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| 18. Prepaid Health Care | \$22,152,325 | \$26,632,297 | \$0 | \$0 | \$0 | \$0 | \$1,568,903 | -35.7% | 0.1% |
| 19. Primary Case Management (PCCM) Services | \$0 | \$0 | \$7,306,311 | \$9,392,016 | \$5,461,200 | \$0 | \$328,507 | -54.0% | 0.0% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$1,442,373,276 | \$1,600,445,609 | \$1,807,391,891 | \$2,180,662,071 | \$2,499,640,805 | \$2,569,776,154 | \$2,801,539,620 | 11.7% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLIC Avg. FFY 04 | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------------|---------|
| 01. General Hospital | \$2,911.30 | \$2,459.39 | \$2,167.29 | \$2,580.85 | \$3,794.43 | \$2,897.18 | \$2,634.68 | -1.7% | -46.0% |
| 02. Mental Hospital | \$6,633.68 | \$5,640.57 | \$2,266.96 | \$6,387.40 | \$6,799.96 | \$5,879.56 | \$6,181.60 | -1.2% | -64.8% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$16,010.49 | \$14,635.50 | \$16,326.93 | \$19,677.53 | \$21,919.68 | \$22,894.98 | \$22,078.18 | 5.5% | 1.2% |
| 04. Intermediate Care for Mentally Retarded | \$50,403.16 | \$48,303.97 | \$55,006.26 | \$58,917.66 | \$64,505.66 | \$64,602.59 | \$66,779.47 | 4.8% | -19.7% |
| 05. Physician Services | \$490.46 | \$398.65 | \$417.54 | \$424.49 | \$457.40 | \$413.19 | \$354.17 | -5.3% | -33.4% |
| 06. Dental Services | \$113.09 | \$172.22 | \$244.14 | \$255.41 | \$254.75 | \$248.76 | \$253.69 | 14.4% | -23.5% |
| 07. Other Practitioners | \$54.44 | \$90.04 | \$100.49 | \$128.88 | \$126.90 | \$486.55 | \$442.59 | 41.8% | 150.5% |
| 08. Outpatient Hospital | \$392.37 | \$388.77 | \$370.76 | \$352.49 | \$476.82 | \$431.59 | \$358.67 | -1.5% | -39.5% |
| 09. Clinic Services | \$539.89 | \$548.49 | \$545.90 | \$633.89 | \$600.57 | \$577.33 | \$597.63 | 1.7% | -18.4% |
| 10. Lab and X-Ray | \$76.20 | \$73.90 | \$79.43 | \$81.22 | \$94.86 | \$72.84 | \$76.36 | 0.0% | -58.3% |
| 11. Home Health | \$1,077.97 | \$569.30 | \$1,064.13 | \$963.28 | \$1,431.61 | \$1,129.02 | \$1,173.52 | 1.4% | -43.8% |
| 12. Prescribed Drugs | \$628.68 | \$731.11 | \$890.44 | \$1,034.28 | \$1,105.13 | \$1,038.37 | \$1,176.57 | 11.0% | -12.6% |
| 13. Family Planning | \$0.00 | \$1,161.42 | \$967.64 | \$1,591.53 | \$2,872.06 | \$2,216.58 | \$1,132.54 | -0.5% | 59.2% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$151.30 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$519.67 | 22.8% | 21.6% |
| 15. Other Care | \$473.76 | \$817.08 | \$842.59 | \$1,066.40 | \$1,280.94 | \$1,259.99 | \$2,138.26 | 28.6% | 6.6% |
| 16. Personal Care Support Services | \$3,463.95 | \$211.09 | \$206.55 | \$226.23 | \$227.14 | \$212.32 | \$221.48 | -36.8% | -83.6% |
| 17. Home/Community Based Waiver Services | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| 18. Prepaid Health Care | \$1,256.66 | \$1,621.45 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,821.77 | 14.4% | 137.7% |
| 19. Primary Case Management (PCCM) Services | \$0.00 | \$0.00 | \$24.20 | \$25.21 | \$15.37 | \$0.00 | \$24.77 | 0.6% | -19.6% |
| Total (Average) | \$2,969.27 | \$3,119.08 | \$2,987.04 | \$3,080.47 | \$3,508.48 | \$3,581.89 | \$3,647.82 | 3.5% | -10.7% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|--------------|--------------|
| TOTAL PER CAPITA EXPENDITURES | \$635.96 | \$684.64 | \$754.24 | \$913.03 | \$1,044.05 | \$1,031.48 | \$1,160.82 | 10.5% | 32.5% |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|--------------|--------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 235,016 | 191,351 | 184,617 | 271,466 | 287,322 | 294,689 | 314,481 | 5.0% | 40.9% |
| Poverty Related Eligibles | 200,645 | 227,407 | 289,291 | 331,909 | 357,744 | 344,293 | 367,961 | 10.6% | 47.9% |
| Medically Needy | 231 | 0 | 0 | 0 | 0 | 0 | 3 | -51.5% | 0.0% |
| Other Eligibles | 38,716 | 40,439 | 70,701 | 27,029 | 21,269 | 21,819 | 24,792 | -7.2% | 3.2% |
| Maintenance Assistance Status Unknown | 11,159 | 53,917 | 60,468 | 77,495 | 46,122 | 56,634 | 60,767 | 32.6% | 7.9% |
| Total | 485,767 | 513,114 | 605,077 | 707,899 | 712,457 | 717,435 | 768,004 | 7.9% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 192,006 | 190,912 | 198,807 | 211,485 | 218,003 | 224,980 | 241,687 | 3.9% | 31.5% |
| Children | 218,491 | 216,660 | 284,717 | 347,251 | 365,760 | 349,137 | 373,221 | 9.3% | 48.6% |
| Foster Care Children | 2,894 | 2,502 | 2,820 | 2,808 | 2,730 | 2,920 | 3,145 | 1.4% | 0.4% |
| Adults | 61,217 | 49,123 | 58,265 | 68,860 | 79,842 | 83,764 | 89,184 | 6.5% | 11.6% |
| Basis of Eligibility Unknown | 11,159 | 53,917 | 60,468 | 77,495 | 46,122 | 56,634 | 60,767 | 32.6% | 7.9% |
| Total | 485,767 | 513,114 | 605,077 | 707,899 | 712,457 | 717,435 | 768,004 | 7.9% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 26,367 | 25,294 | 27,452 | 29,593 | 30,611 | 30,058 | 32,347 | 3.5% | 4.2% |
| Age 1 to 5 | 90,526 | 85,731 | 104,764 | 122,939 | 131,201 | 130,090 | 139,081 | 7.4% | 18.1% |
| Age 6 to 14 | 96,034 | 97,691 | 130,698 | 160,607 | 165,246 | 153,954 | 164,823 | 9.4% | 21.5% |
| Age 15 to 20 | 42,668 | 46,105 | 60,845 | 73,373 | 77,182 | 74,046 | 79,103 | 10.8% | 10.3% |
| Age 21 to 44 | 95,579 | 80,468 | 88,580 | 100,015 | 110,078 | 114,162 | 122,121 | 4.2% | 15.9% |
| Age 45 to 64 | 47,702 | 47,164 | 51,487 | 57,857 | 63,395 | 67,638 | 72,169 | 7.1% | 9.4% |
| Age 65 to 74 | 30,780 | 29,708 | 32,016 | 34,994 | 36,588 | 37,936 | 40,666 | 4.8% | 5.3% |
| Age 75 to 84 | 28,555 | 27,091 | 28,482 | 30,784 | 32,081 | 33,156 | 35,591 | 3.7% | 4.6% |
| Age 85 and Over | 22,461 | 19,948 | 20,285 | 20,250 | 19,984 | 19,791 | 21,450 | -0.8% | 2.8% |
| Age Unknown | 5,095 | 53,914 | 60,468 | 77,487 | 46,091 | 56,604 | 60,653 | 51.1% | 7.9% |
| Total* | 485,767 | 513,114 | 605,077 | 707,899 | 712,457 | 717,435 | 768,004 | 3.8% | 100.0% |
| By Race | | | | | | | | | |
| White | 151,798 | 160,613 | 196,364 | 229,402 | 225,860 | 231,548 | 247,706 | 8.5% | 32.3% |
| Black | 298,883 | 315,625 | 368,281 | 431,262 | 401,874 | 390,087 | 419,901 | 5.8% | 54.7% |
| Hispanic, American Indian or Asian | 4,830 | 5,129 | 6,732 | 7,850 | 9,642 | 9,685 | 10,278 | 13.4% | 1.3% |
| Other/Unknown | 30,256 | 31,747 | 33,700 | 39,385 | 75,081 | 86,115 | 90,119 | 20.0% | 11.7% |
| Total* | 485,767 | 513,114 | 605,077 | 707,899 | 712,457 | 717,435 | 768,004 | 7.9% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 304,322 | 321,374 | 374,544 | 438,722 | 398,263 | 397,211 | 427,409 | 5.8% | 55.7% |
| Male | 176,349 | 186,569 | 230,273 | 268,473 | 268,091 | 263,607 | 282,438 | 8.2% | 36.8% |
| Unknown | 5,096 | 5,171 | 260 | 704 | 46,103 | 56,617 | 58,157 | 50.0% | 7.6% |
| Total* | 485,767 | 513,114 | 605,077 | 707,899 | 712,457 | 717,435 | 768,004 | 7.9% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$714,491,940 | \$738,680,395 | \$810,426,530 | \$1,031,999,687 | \$1,176,269,735 | \$1,197,241,225 | \$1,305,824,779 | 10.6% | 46.6% |
| Poverty Related Eligibles | \$306,914,267 | \$374,741,309 | \$442,170,533 | \$606,585,933 | \$740,830,606 | \$757,820,734 | \$819,668,750 | 17.8% | 29.3% |
| Medically Needy | \$29,257 | \$0 | \$0 | \$0 | \$0 | \$0 | \$560 | -48.3% | 0.0% |
| Other Eligibles | \$417,485,900 | \$472,664,988 | \$534,681,790 | \$526,440,720 | \$566,273,309 | \$599,732,480 | \$659,439,433 | 7.9% | 23.5% |
| Maintenance Assistance Status Unknown | \$3,451,912 | \$14,358,917 | \$20,113,038 | \$15,635,731 | \$16,267,155 | \$14,981,715 | \$16,606,098 | 29.9% | 0.6% |
| Total* | \$1,442,373,276 | \$1,600,445,609 | \$1,807,391,891 | \$2,180,662,071 | \$2,499,640,805 | \$2,569,776,154 | \$2,801,539,620 | 11.7% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,080,722,666 | \$1,220,577,152 | \$1,360,802,244 | \$1,602,569,736 | \$1,780,398,038 | \$1,823,994,829 | \$1,993,868,873 | 10.7% | 71.2% |
| Children | \$225,920,481 | \$233,569,015 | \$270,710,403 | \$367,150,609 | \$453,810,395 | \$476,217,433 | \$515,048,919 | 14.7% | 18.4% |
| Foster Care Children | \$12,397,385 | \$10,606,149 | \$7,846,151 | \$7,690,895 | \$10,009,066 | \$10,795,505 | \$11,932,175 | -0.6% | 0.4% |
| Adults | \$119,880,832 | \$121,334,376 | \$147,920,055 | \$187,615,100 | \$239,156,151 | \$243,786,672 | \$264,083,555 | 14.1% | 9.4% |
| Basis of Eligibility Unknown | \$3,451,912 | \$14,358,917 | \$20,113,038 | \$15,635,731 | \$16,267,155 | \$14,981,715 | \$16,606,098 | 29.9% | 0.6% |
| Total* | \$1,442,373,276 | \$1,600,445,609 | \$1,807,391,891 | \$2,180,662,071 | \$2,499,640,805 | \$2,569,776,154 | \$2,801,539,620 | 11.7% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$55,834,210 | \$58,909,793 | \$62,451,005 | \$79,192,864 | \$87,359,330 | \$88,987,334 | \$97,275,735 | 9.7% | 3.5% |
| Age 1 to 5 | \$96,211,119 | \$108,347,493 | \$124,989,723 | \$162,247,745 | \$194,389,602 | \$203,844,980 | \$220,892,224 | 14.9% | 7.9% |
| Age 6 to 14 | \$111,359,490 | \$120,610,566 | \$130,963,563 | \$173,265,221 | \$206,593,356 | \$215,802,569 | \$234,163,059 | 13.2% | 8.4% |
| Age 15 to 20 | \$104,913,877 | \$116,941,035 | \$127,765,582 | \$146,577,627 | \$172,720,742 | \$170,865,162 | \$186,950,005 | 10.1% | 6.7% |
| Age 21 to 44 | \$310,382,434 | \$333,837,348 | \$387,623,570 | \$468,980,276 | \$541,614,356 | \$545,694,348 | \$595,266,262 | 11.5% | 21.2% |
| Age 45 to 64 | \$257,489,521 | \$292,732,659 | \$348,610,958 | \$441,374,261 | \$516,243,914 | \$538,971,338 | \$584,852,178 | 14.7% | 20.9% |
| Age 65 to 74 | \$127,851,781 | \$143,199,876 | \$163,683,196 | \$200,710,891 | \$226,434,693 | \$233,874,310 | \$254,861,900 | 12.2% | 9.1% |
| Age 75 to 84 | \$168,177,532 | \$187,058,816 | \$203,543,407 | \$239,669,213 | \$271,846,846 | \$283,535,333 | \$309,466,001 | 10.7% | 11.0% |
| Age 85 and Over | \$208,776,837 | \$224,511,334 | \$237,647,849 | \$253,020,775 | \$266,466,433 | \$273,490,595 | \$301,529,737 | 6.3% | 10.8% |
| Age Unknown | \$1,376,475 | \$14,296,689 | \$20,113,038 | \$15,623,198 | \$15,971,533 | \$14,710,185 | \$16,282,519 | 50.9% | 0.6% |
| Total* | \$1,442,373,276 | \$1,600,445,609 | \$1,807,391,891 | \$2,180,662,071 | \$2,499,640,805 | \$2,569,776,154 | \$2,801,539,620 | 11.7% | 100.0% |
| By Race | | | | | | | | | |
| White | \$632,011,633 | \$691,129,991 | \$774,791,590 | \$935,759,976 | \$1,070,111,043 | \$1,116,375,454 | \$1,216,360,409 | 11.5% | 43.4% |
| Black | \$678,234,773 | \$749,621,595 | \$844,456,092 | \$1,020,638,197 | \$1,180,966,693 | \$1,205,047,593 | \$1,313,819,913 | 11.7% | 46.9% |
| Hispanic, American Indian or Asian | \$10,707,741 | \$13,388,917 | \$14,147,735 | \$17,011,029 | \$23,189,618 | \$23,205,983 | \$25,152,961 | 15.3% | 0.9% |
| Other/ Unknown | \$121,419,129 | \$146,305,106 | \$173,996,474 | \$207,252,869 | \$225,373,451 | \$225,147,124 | \$246,206,337 | 12.5% | 8.8% |
| Total* | \$1,442,373,276 | \$1,600,445,609 | \$1,807,391,891 | \$2,180,662,071 | \$2,499,640,805 | \$2,569,776,154 | \$2,801,539,620 | 11.7% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$945,154,295 | \$1,043,014,078 | \$1,176,435,808 | \$1,421,093,408 | \$1,596,135,924 | \$1,624,141,223 | \$1,773,653,325 | 11.1% | 63.3% |
| Male | \$495,820,726 | \$557,361,889 | \$630,889,861 | \$759,253,459 | \$887,410,829 | \$930,799,604 | \$1,012,423,140 | 12.6% | 36.1% |
| Unknown | \$1,398,255 | \$69,642 | \$66,222 | \$315,204 | \$16,094,052 | \$14,835,327 | \$15,463,155 | 49.3% | 0.6% |
| Total* | \$1,442,373,276 | \$1,600,445,609 | \$1,807,391,891 | \$2,180,662,071 | \$2,499,640,805 | \$2,569,776,154 | \$2,801,539,620 | 11.7% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SL C Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|---|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,040.18 | \$3,860.34 | \$4,389.77 | \$3,801.58 | \$4,093.91 | \$4,062.73 | \$4,152.32 | 5.3% | -32.6% |
| Poverty Related Eligibles | \$1,529.64 | \$1,647.89 | \$1,528.46 | \$1,827.57 | \$2,070.84 | \$2,201.09 | \$2,227.60 | 6.5% | 23.8% |
| Medically Needy | \$126.65 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$186.67 | 6.7% | -97.1% |
| Other Eligibles | \$10,783.29 | \$11,688.35 | \$7,562.58 | \$19,476.88 | \$26,624.35 | \$27,486.71 | \$26,598.88 | 16.2% | 271.2% |
| Maintenance Assistance Status Unknown | \$309.34 | \$266.32 | \$332.62 | \$201.76 | \$352.70 | \$264.54 | \$273.27 | -2.0% | -89.0% |
| Total | \$2,969.27 | \$3,119.08 | \$2,987.04 | \$3,080.47 | \$3,508.48 | \$3,581.89 | \$3,647.82 | 3.5% | -10.7% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$5,628.59 | \$6,393.40 | \$6,844.84 | \$7,577.70 | \$8,166.85 | \$8,107.36 | \$8,249.80 | 6.6% | -24.6% |
| Children | \$1,034.00 | \$1,078.04 | \$950.81 | \$1,057.31 | \$1,240.73 | \$1,363.98 | \$1,380.01 | 4.9% | -3.8% |
| Foster Care Children | \$4,283.82 | \$4,239.07 | \$2,782.32 | \$2,738.92 | \$3,666.32 | \$3,697.09 | \$3,794.01 | -2.0% | -44.0% |
| Adults | \$1,958.29 | \$2,470.01 | \$2,538.75 | \$2,724.59 | \$2,995.37 | \$2,910.40 | \$2,961.11 | 7.1% | 12.7% |
| Basis of Eligibility Unknown | \$309.34 | \$266.32 | \$332.62 | \$201.76 | \$352.70 | \$264.54 | \$273.27 | -2.0% | -89.0% |
| Total | \$2,969.27 | \$3,119.08 | \$2,987.04 | \$3,080.47 | \$3,508.48 | \$3,581.89 | \$3,647.82 | 3.5% | -10.7% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,117.58 | \$2,329.00 | \$2,274.92 | \$2,676.07 | \$2,853.85 | \$2,960.52 | \$3,007.26 | 6.0% | -14.2% |
| Age 1 to 5 | \$1,062.80 | \$1,263.81 | \$1,193.06 | \$1,319.74 | \$1,481.62 | \$1,566.95 | \$1,588.23 | 6.9% | -9.2% |
| Age 6 to 14 | \$1,159.58 | \$1,234.61 | \$1,002.03 | \$1,078.81 | \$1,250.22 | \$1,401.73 | \$1,420.69 | 3.4% | -13.9% |
| Age 15 to 20 | \$2,458.84 | \$2,536.41 | \$2,099.85 | \$1,997.71 | \$2,237.84 | \$2,307.55 | \$2,363.37 | -0.7% | -8.6% |
| Age 21 to 44 | \$3,247.39 | \$4,148.70 | \$4,375.97 | \$4,689.10 | \$4,920.28 | \$4,780.00 | \$4,874.40 | 7.0% | -1.5% |
| Age 45 to 64 | \$5,397.88 | \$6,206.70 | \$6,770.85 | \$7,628.71 | \$8,143.29 | \$7,968.47 | \$8,103.93 | 7.0% | -14.4% |
| Age 65 to 74 | \$4,153.73 | \$4,820.25 | \$5,112.54 | \$5,735.58 | \$6,188.77 | \$6,164.97 | \$6,267.20 | 7.1% | -18.2% |
| Age 75 to 84 | \$5,889.60 | \$6,904.83 | \$7,146.39 | \$7,785.51 | \$8,473.76 | \$8,551.55 | \$8,695.06 | 6.7% | -21.5% |
| Age 85 and Over | \$9,295.08 | \$11,254.83 | \$11,715.45 | \$12,494.85 | \$13,333.99 | \$13,818.94 | \$14,057.33 | 7.1% | -16.0% |
| Age Unknown | \$270.16 | \$265.18 | \$332.62 | \$201.62 | \$346.52 | \$259.88 | \$268.45 | -0.1% | -90.0% |
| Total | \$2,969.27 | \$3,119.08 | \$2,987.04 | \$3,080.47 | \$3,508.48 | \$3,581.89 | \$3,647.82 | 3.5% | -10.7% |
| By Race | | | | | | | | | |
| White | \$4,163.50 | \$4,303.08 | \$3,945.69 | \$4,079.13 | \$4,737.94 | \$4,821.36 | \$4,910.50 | 2.8% | -3.0% |
| Black | \$2,269.23 | \$2,375.04 | \$2,292.97 | \$2,366.63 | \$2,938.65 | \$3,089.18 | \$3,128.88 | 5.5% | -7.6% |
| Hispanic, American Indian or Asian | \$2,216.92 | \$2,610.43 | \$2,101.56 | \$2,167.01 | \$2,405.06 | \$2,396.07 | \$2,447.26 | 1.7% | -7.5% |
| Other/ Unknown | \$4,013.06 | \$4,608.47 | \$5,163.10 | \$5,262.23 | \$3,001.74 | \$2,614.49 | \$2,732.01 | -6.2% | -38.6% |
| Total | \$2,969.27 | \$3,119.08 | \$2,987.04 | \$3,080.47 | \$3,508.48 | \$3,581.89 | \$3,647.82 | 3.5% | -10.7% |
| By Sex | | | | | | | | | |
| Female | \$3,105.77 | \$3,245.48 | \$3,140.98 | \$3,239.17 | \$4,007.74 | \$4,088.86 | \$4,149.78 | 4.9% | -1.6% |
| Male | \$2,811.59 | \$2,987.43 | \$2,739.75 | \$2,828.04 | \$3,310.11 | \$3,531.01 | \$3,584.59 | 4.1% | -11.9% |
| Unknown | \$274.38 | \$13.47 | \$254.70 | \$447.73 | \$349.09 | \$262.03 | \$265.89 | -0.5% | -90.0% |
| Total | \$2,969.27 | \$3,119.08 | \$2,987.04 | \$3,080.47 | \$3,508.48 | \$3,581.89 | \$3,647.82 | 3.5% | -10.7% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

The state operates two Freedom of Choice Waivers, under Title XIX, Section 1915 (b), to establish a coordinated network of Medicaid providers. These include:

- Healthier Mississippi will provide Medicaid services to individuals that lost coverage due to the elimination of the optional Poverty Level and Aged category, effective July 1, 2004. This waiver will serve approximately 12,000 individuals per year that do not have Medicare coverage. Received CMS approval September 10, 2004.
- Family Planning: This waiver will provide a comprehensive set of family planning and related services to women of child bearing age with incomes at or below 185% of the FPL. Implemented July 1, 2002; anticipates serving approximately 70,000 women when fully operational.

Several Home and Community Based Service Waivers under Section 1915 (c), enable the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Elderly and Disabled: Serves 6,857 people, operating since July 1, 1994.
- Mental Retardation/Developmental Disabilities: Serves 1,900, operating since July 1, 1995.
- Independent Living: Renewed June 2003; can serve up to 354 recipients.
- Assisted Living: Implemented Oct. 1, 2000. Waiver was renewed in December 2003; can serve up to 900 recipients.

Mississippi has one waiver under Section 1915 (b) to provide transportation services to eligible recipients:

- Non-Emergency Transportation: Serves approximately 29,000 Medicaid recipients. Implemented April 11, 2003.

Managed Care

- Any Willing Provider Clause: For pharmacies only. HMO's with pharmacies located on-site are exempt. Independent pharmacies are reimbursed at the same rate as contract providers as long as they meet the requirements and standards for participation.

Coverage for Targeted Population

- The state does not have a statewide indigent care program, however, legislation enacted in 1996 specifies that University of Mississippi Medical locations shall provide at least 50% of their services to indigent persons.

Cost Containment Measures

- Certificate of Need Program since 1979. Regulates introduction or expansion of new institutional health care facilities and services.
- Rate setting. Prospective/per diem methodology used for Medicaid.

Medicaid

- 23 optional services are offered.
- In 1999, enacted 3 new laws for the following purposes:
 - Allows disabled workers with income above the Medicaid eligibility limits to purchase Medicaid coverage on a sliding fee scale.
 - Reimburses physician's fees that are covered by Medicaid at 90% of the rate established on January 1, 1999.
 - Authorizes Medicaid payments to nursing homes for each day a patient is absent from the facility, not to exceed 52 days per year.
- In 2000, enacted new laws for the following purposes:
 - Extends medical assistance coverage for family planning services to women of childbearing age with family incomes up to 185% of the FPL.

SOUTHERN REGION MEDICAID PROFILE

Medicaid (continued)

Provides for reimbursement for smoking cessation medications for pregnant women and other Medicaid eligible women that are of childbearing age.

- Enacted legislation in 2001 that requires Medicaid to provide coverage to women that have been screened and diagnosed with breast or cervical cancer (Federally mandated by the Breast and Cervical Cancer Prevention and Treatment Act of 2000).

- Extended Medicaid eligibility to children in state custody, special needs children, and individuals that would be eligible for services in a nursing home, but live in a non-institutional setting and spend 50% of their income on prescription drugs.

- Established new reimbursement rates for physicians.

- Established a Medicare Upper Payment Limit program.

- In 2002, enacted legislation for the following purposes:

Reduced the number of prescriptions allowed per month from 10 to 7 and requires prior authorization for each additional prescription over 5 in a month.

Provided for the Medicaid Program to hire a pharmacy benefits manager.

Reduced payments to certain providers by 5%; exempts reimbursement rates for any prescription service or any service provided by a state agency or the University of Mississippi Medical Center from the reduction.

Reduced the coverage of eyeglasses for eligible adults from 1 pair every 3 years to 1 pair every 5 years.

- In 2003, implemented initiatives to control growth in the Medicaid Program:

Several changes in the prescription drug program as follows:

Reduced the number of prescriptions to 5 per month; mandated generic equivalents; reduced dispensing fee to \$3.91; decreased AWP to 12%; and placed a 34 day supply limit on all drugs.

Reduced reimbursement rates by 5%.

Added a hospital bed assessment of \$1.50 per day.

Increased Nursing Home Fee to \$4.00/day.

Eliminated transportation payments to family and attendants.

- In 2004, implemented additional initiatives as follows:

Reduced Medicaid eligibility income standard from \$12,600 to \$6,800.

Eliminated coverage for aged and disabled between 100% and 133% of the FPL for recipients covered by both Medicare and Medicaid (Dual eligibles--approximately 47,000)

- In 2005, reinstated coverage for aged and disabled between 100% and 133% of the FPL that was eliminated in 2004.

Children's Health Insurance Program: Medicaid Expansion and State-Designed Program

- Mississippi Children's Health Program (CHIP I) provides health insurance coverage for children age 15 through 18 in families with incomes below 100% of the FPL. The program (Phase I) received CMS approval on October 26, 1999. The benefit package is the same as the regular Medicaid program and does not include any cost sharing provisions. Phase I expects to provide coverage to 15,000 new enrollees.

- CHIP II is a state plan option and expands coverage for children/adolescents birth through 18 in families with income from 100% to 200% of the FPL. CHIP II was submitted to CMS for approval in September 1999 and approved in December 1999. Phase II was implemented in January 2000.

As of September 30, 2004, the program had an enrollment of 82,900 individuals.

Cost sharing requirements for the CHIP program are as follows:

- Families with incomes less than 150% of the FPL have no cost sharing requirements;

SOUTHERN REGION MEDICAID PROFILE

Children's Health Insurance Program: Medicaid Expansion and State-Designed Program (CONTINUED)

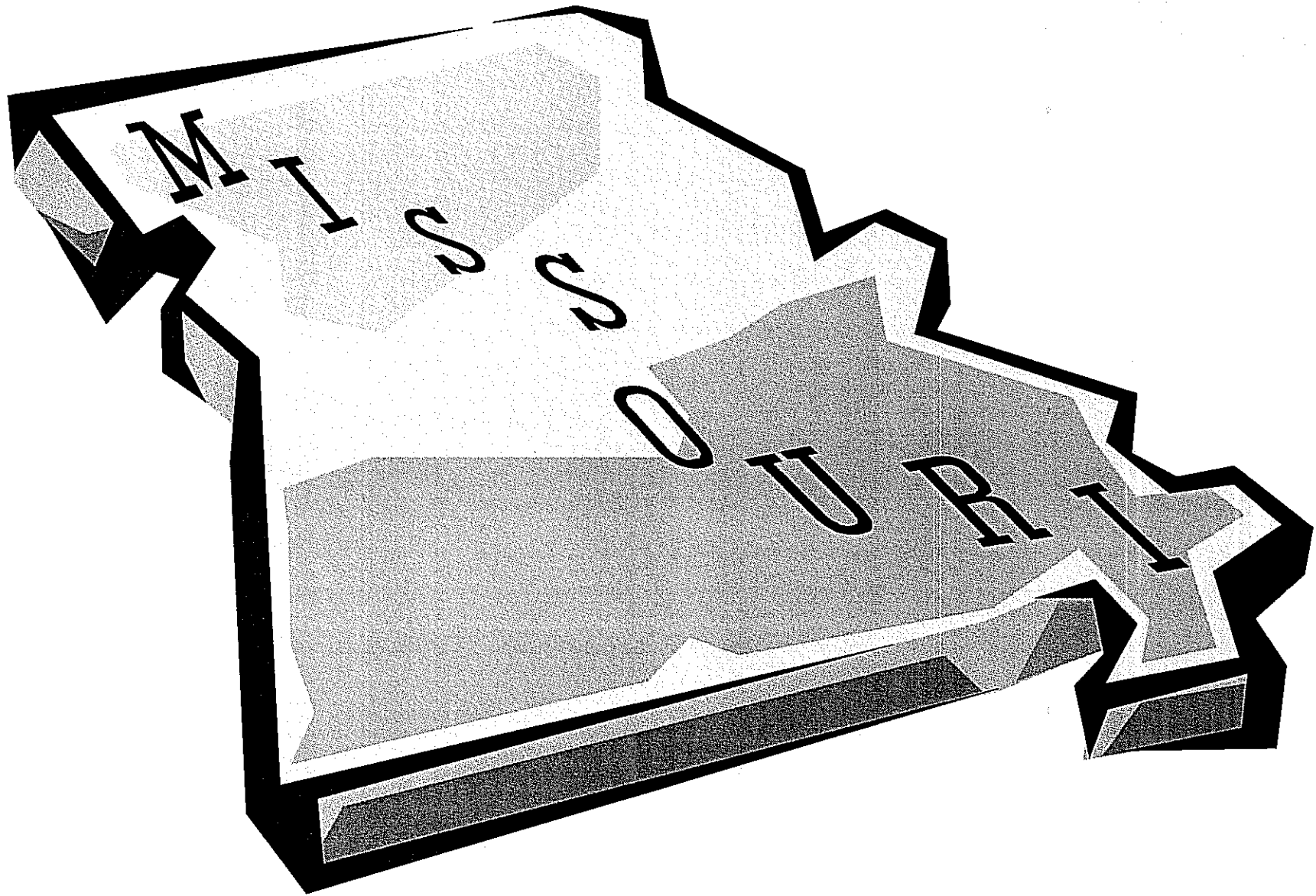
- Families with incomes between 151% and 175% of the FPL pay \$5 per outpatient health care professional visit; \$15 per ER visit; and an \$800 out-of-pocket max.
- Families with incomes between 176% and 200% of the FPL pay \$5 per outpatient health care professional visit; \$15 per ER visit; and a \$950 out-of-pocket max.

Tobacco Settlement

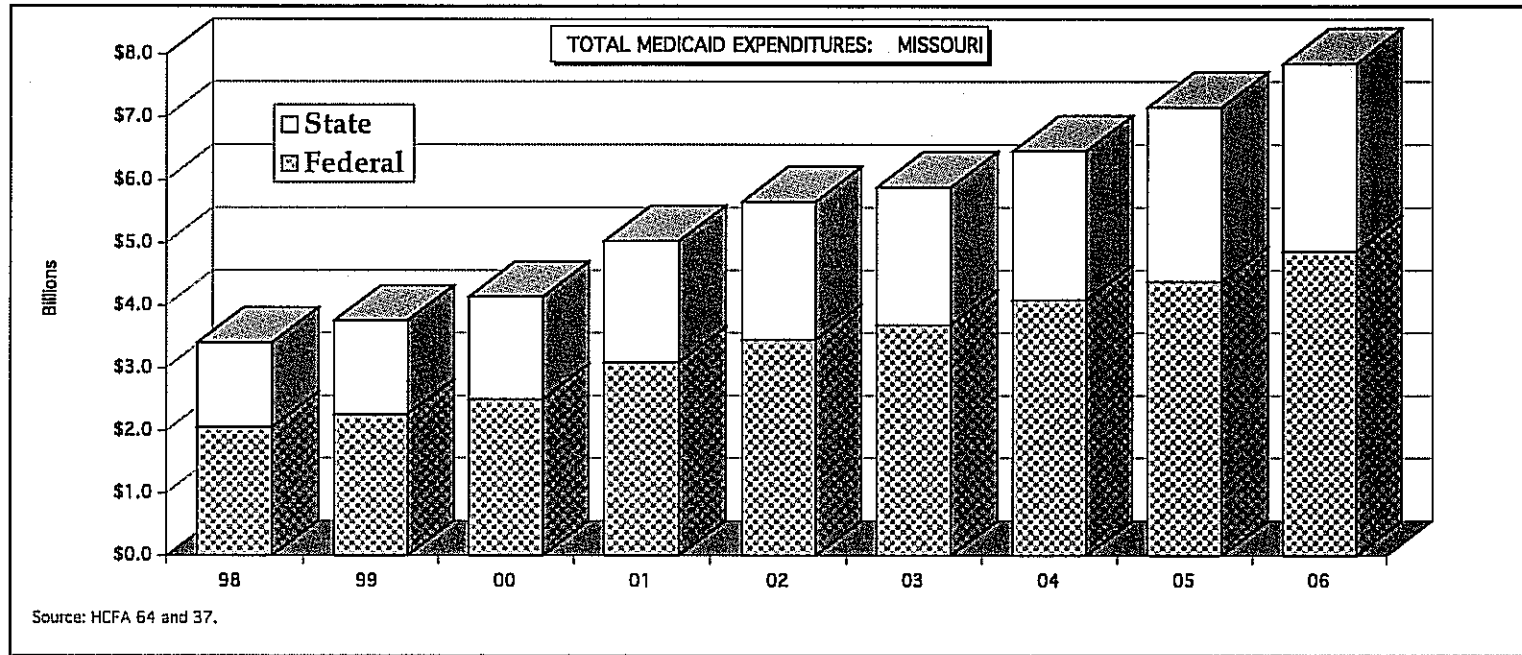
- The state expects to receive approximately \$4.1 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$564.7 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | MS | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$94,000,000 | 16.6% | \$1,813,423,000 | 4.6% |
| Health services | \$456,964,000 | 80.9% | \$11,824,057,000 | 29.9% |
| Long-term care | \$12,873,000 | 2.3% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |
| Education | \$600,000 | 0.1% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$0 | 0.0% | \$7,636,209,000 | 19.3% |
| Other | \$234,000 | 0.0% | \$10,048,868,000 | 25.4% |
| Total | \$564,671,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$3,282,989,240 | \$3,636,191,199 | \$3,994,735,362 | \$4,814,979,882 | \$5,443,859,735 | \$5,636,993,330 | \$6,189,277,118 | \$6,881,015,000 | \$7,598,579,000 | 11.1% | 131.5% |
| Federal Share | \$1,994,323,165 | \$2,187,517,595 | \$2,426,112,864 | \$2,964,514,311 | \$3,341,118,516 | \$3,546,725,923 | \$3,942,570,087 | \$4,234,917,000 | \$4,734,945,000 | 11.4% | 137.4% |
| State Share | \$1,288,666,075 | \$1,448,673,604 | \$1,568,622,498 | \$1,850,465,571 | \$2,102,741,219 | \$2,090,267,407 | \$2,246,707,031 | \$2,646,098,000 | \$2,863,634,000 | 10.5% | 122.2% |
| Administrative Costs | \$121,442,623 | \$123,675,073 | \$149,211,690 | \$218,348,725 | \$215,632,683 | \$253,735,879 | \$270,611,871 | \$273,325,000 | \$254,564,000 | 9.7% | 109.6% |
| Federal Share | \$66,243,446 | \$67,332,001 | \$79,492,465 | \$124,727,677 | \$115,805,669 | \$137,955,136 | \$144,371,906 | \$143,273,000 | \$131,999,000 | 9.0% | 99.3% |
| State Share | \$55,199,177 | \$56,343,072 | \$69,719,225 | \$93,621,048 | \$99,827,014 | \$115,780,743 | \$126,239,965 | \$130,052,000 | \$122,565,000 | 10.5% | 122.0% |
| Admin. Costs as % of Payments | 3.70% | 3.40% | 3.74% | 4.53% | 3.96% | 4.50% | 4.37% | 3.97% | 3.35% | | |
| Federal Match Rate* | 60.68% | 60.24% | 60.51% | 61.03% | 61.06% | 61.23% | 61.47% | 61.15% | 61.93% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|-----------------|-----------------|----------------|---------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$1,288,666,075 | \$1,466,619,624 | \$55,199,177 | \$126,239,965 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$767,845,132 | \$0 | \$0 |
| Donations* | \$0 | \$561,665 | \$0 | \$0 |
| Other** | \$0 | \$11,680,610 | \$0 | \$0 |
| Total State Share | \$1,288,666,075 | \$2,246,707,031 | \$55,199,177 | \$126,239,965 |

*Donations from Outstationed Eligibility Workers Program

**License fees

Provider Taxes Currently in Place (FFY 04)

| | Tax Rate | Amount |
|------------------------------|---|---------------|
| General and mental hospitals | 5.32% of net non-Medicaid operating revenue | \$596,104,436 |
| Nursing homes | \$8.42 per patient day | \$156,813,238 |
| Pharmacy | 1.7% of gross prescription sales | \$14,927,458 |
| Total | | \$767,845,132 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|
| General Hospitals | \$467,025,524 | \$436,165,215 | \$277,424,914 | \$278,578,549 | \$345,377,967 | \$327,754,355 | \$447,404,858 | \$422,954,000 | \$364,858,000 | 4.7% |
| Mental Hospitals | \$199,031,452 | \$199,562,749 | \$178,006,610 | \$176,489,923 | \$187,325,542 | \$178,553,296 | \$177,856,164 | \$206,313,000 | \$206,313,000 | 2.5% |
| Total | \$666,056,976 | \$635,727,964 | \$455,431,524 | \$455,068,472 | \$532,703,509 | \$506,307,651 | \$625,261,022 | \$629,267,000 | \$571,171,000 | 3.8% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | \$846 | 64.8% |
| Payment Standard | \$292 | 22.4% |
| Maximum Payment | \$292 | 22.4% |
| Medically Needy Program (Family of 2) | | |
| Income Eligibility Standard | N/A | |
| Resource Standard | N/A | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and infants | | 185.0% |
| Children to age 6 | | 133.0% |
| Children 6 to 18 | | 100.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$1,000 | |
| Couple | \$2,000 | |

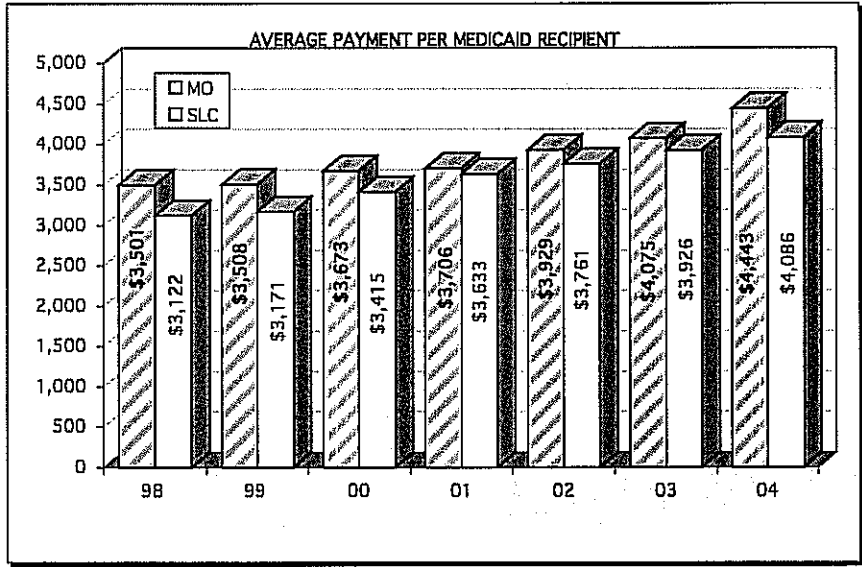
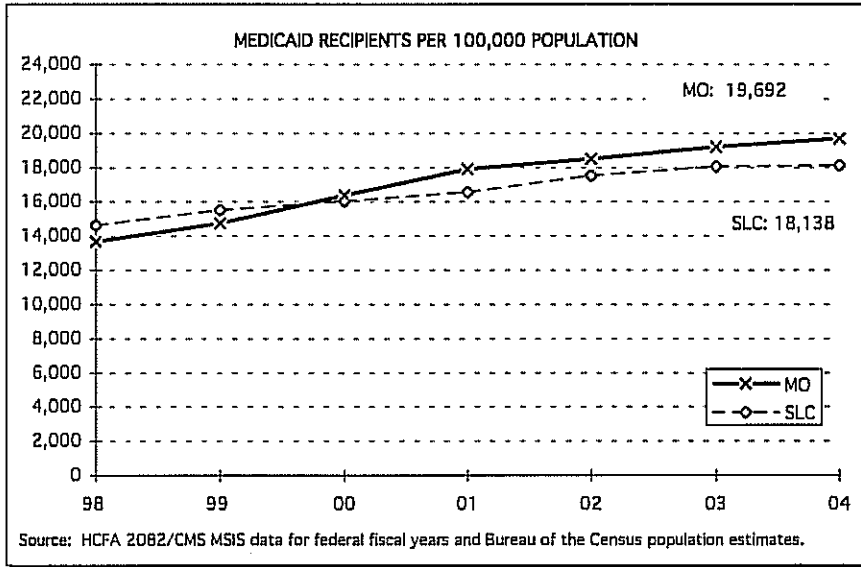
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 5,754,618 | 17 |
| Per capita personal income** | \$30,608 | 29 |
| Median household income** | \$43,492 | 25 |
| Population below Federal Poverty Level on July 1, 2003* | 581,216 | |
| Percent of total state population | 10.1% | 31 |
| Population without health insurance coverage* | 620,000 | 23 |
| Percent of total state population | 10.8% | 35 |
| Recipients of Food Stamps*** | 678,981 | 13 |
| Households receiving Food Stamps*** | 275,771 | 12 |
| Total value of issuance*** | \$656,421,560 | 13 |
| Average monthly benefit per recipient | \$80.56 | 44 |
| Average monthly benefit per household | \$198.36 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 123,001 | 15 |
| Total TANF payments**** | \$136,130,196 | 49 |
| Average monthly payment per recipient | \$92.23 | 49 |
| Maximum monthly payment per family of 3 | \$292.00 | 36 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|-----------|-----------|-----------|---------------|
| 01. General Hospital | 72,848 | 87,558 | 87,585 | 95,453 | 100,904 | 105,584 | 123,784 | 9.2% |
| 02. Mental Hospital | 9 | 406 | 453 | 420 | 356 | 460 | 1,955 | 145.2% |
| 03. Skilled and Intermediate (non-MIR) Care Nursing | 37,226 | 39,762 | 41,074 | 39,501 | 40,798 | 38,916 | 53,302 | 6.2% |
| 04. Intermediate Care for Mentally Retarded | 1,442 | 1,381 | 1,331 | 1,325 | 1,302 | 1,282 | 1,264 | -2.2% |
| 05. Physician Services | 259,688 | 283,200 | 320,726 | 330,264 | 328,550 | 344,460 | 380,813 | 6.6% |
| 06. Dental Services | 85,188 | 86,846 | 90,736 | 101,405 | 104,581 | 122,807 | 133,057 | 7.7% |
| 07. Other Practitioners | 84,827 | 97,300 | 115,395 | 113,039 | 128,575 | 125,857 | 150,772 | 10.1% |
| 08. Outpatient Hospital | 246,492 | 267,917 | 311,317 | 330,978 | 349,865 | 362,421 | 394,619 | 8.2% |
| 09. Clinic Services | 293,062 | 321,332 | 377,983 | 406,759 | 439,575 | 482,956 | 426,784 | 6.5% |
| 10. Lab and X-Ray | 118,223 | 121,744 | 137,891 | 137,931 | 162,487 | 199,612 | 206,437 | 9.7% |
| 11. Home Health | 24,954 | 7,090 | 6,652 | 6,022 | 6,511 | 6,910 | 5,386 | -22.6% |
| 12. Prescribed Drugs | 353,902 | 411,959 | 447,062 | 472,624 | 493,230 | 526,991 | 541,026 | 7.3% |
| 13. Family Planning | 23,557 | 963 | 941 | 1,116 | 1,110 | 1,326 | 44,512 | 11.2% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 71,161 | 0 | 0 | 0 | 0 | 0 | 61,419 | -2.4% |
| 15. Other Care | 92,017 | 165,576 | 189,329 | 199,833 | 216,716 | 240,321 | 411,460 | 28.4% |
| 16. Personal Care Support Services | 75,373 | 84,636 | 97,189 | 108,536 | 122,141 | 123,911 | 0 | -100.0% |
| 17. Home/Community Based Waiver Services | 104 | 0 | 0 | 0 | 0 | 0 | 0 | -100.0% |
| 18. Prepaid Health Care | 336,057 | 352,792 | 395,214 | 475,265 | 498,155 | 515,863 | 539,252 | 8.2% |
| 19. Primary Care Case Management (PCCM) Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| Total* | 734,015 | 797,578 | 890,318 | 978,546 | 1,036,150 | 1,081,496 | 1,133,178 | 7.5% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual Change</u> | <u>Share of Total FFY 04</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|------------------------------|
| 01. General Hospital | \$313,541,971 | \$349,386,862 | \$376,607,207 | \$410,534,009 | \$428,061,409 | \$472,473,319 | \$509,836,985 | 8.4% | 10.1% |
| 02. Mental Hospital | \$248,998 | \$4,727,426 | \$4,628,523 | \$4,606,906 | \$3,207,299 | \$5,922,767 | \$5,663,946 | 68.3% | 0.1% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$677,899,462 | \$718,187,010 | \$732,508,771 | \$735,628,334 | \$725,466,540 | \$709,866,247 | \$762,169,293 | 2.0% | 15.1% |
| 04. Intermediate Care for Mentally Retarded | \$101,104,939 | \$101,938,506 | \$100,406,019 | \$94,409,653 | \$118,629,649 | \$111,653,494 | \$112,708,511 | 1.8% | 2.2% |
| 05. Physician Services | \$51,276,977 | \$58,020,860 | \$70,972,252 | \$71,914,021 | \$73,061,397 | \$78,021,620 | \$385,237,054 | 39.9% | 7.7% |
| 06. Dental Services | \$9,726,354 | \$11,463,432 | \$13,286,049 | \$21,144,900 | \$25,504,037 | \$29,841,465 | \$37,250,375 | 25.1% | 0.7% |
| 07. Other Practitioners | \$4,862,991 | \$6,342,481 | \$7,629,740 | \$8,027,304 | \$9,187,207 | \$8,135,688 | \$13,236,439 | 18.2% | 0.3% |
| 08. Outpatient Hospital | \$154,379,218 | \$168,549,075 | \$219,722,488 | \$221,122,747 | \$246,189,264 | \$241,123,477 | \$333,005,669 | 13.7% | 6.6% |
| 09. Clinic Services | \$68,809,727 | \$75,402,510 | \$96,534,961 | \$111,575,286 | \$135,014,780 | \$161,637,284 | \$122,655,672 | 10.1% | 2.4% |
| 10. Lab and X-Ray | \$6,568,226 | \$5,997,897 | \$7,464,955 | \$8,131,990 | \$10,217,199 | \$13,313,824 | \$16,862,592 | 17.0% | 0.3% |
| 11. Home Health | \$46,793,370 | \$8,114,919 | \$8,564,806 | \$6,583,746 | \$7,236,954 | \$7,297,381 | \$5,586,880 | -29.8% | 0.1% |
| 12. Prescribed Drugs | \$382,512,566 | \$482,087,676 | \$600,484,118 | \$680,574,899 | \$799,910,014 | \$953,324,877 | \$1,130,656,730 | 19.8% | 22.5% |
| 13. Family Planning | \$5,124,562 | \$426,281 | \$459,200 | \$530,268 | \$561,813 | \$687,570 | \$10,889,451 | 13.4% | 0.2% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$40,121,136 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,051,040 | -27.0% | 0.1% |
| 15. Other Care | \$67,554,180 | \$325,984,183 | \$415,909,665 | \$488,627,413 | \$537,392,486 | \$553,408,000 | \$820,200,279 | 51.6% | 16.3% |
| 16. Personal Care Support Services | \$360,789,849 | \$195,611,282 | \$231,939,181 | \$272,495,153 | \$340,711,470 | \$376,255,888 | \$0 | -100.0% | 0.0% |
| 17. Home/Community Based Waiver Services | \$679,049 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -100.0% | 0.0% |
| 18. Prepaid Health Care | \$277,652,554 | \$285,917,714 | \$383,034,523 | \$490,305,973 | \$611,192,885 | \$683,889,202 | \$763,080,757 | 18.4% | 15.2% |
| 19. Primary Case Management (PCCM) Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$2,569,646,129 | \$2,798,158,114 | \$3,270,152,458 | \$3,626,212,602 | \$4,071,544,403 | \$4,406,852,103 | \$5,035,091,673 | 11.9% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLC | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|--------------------|
| | | | | | | | | | <u>Avg. FFY 04</u> |
| 01. General Hospital | \$4,304.06 | \$3,990.35 | \$4,299.91 | \$4,300.90 | \$4,242.26 | \$4,474.86 | \$4,118.76 | -0.7% | -15.6% |
| 02. Mental Hospital | \$27,666.44 | \$11,643.91 | \$10,217.49 | \$10,968.82 | \$9,009.27 | \$12,875.58 | \$2,897.16 | -31.3% | -83.5% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$18,210.38 | \$18,062.15 | \$17,833.88 | \$18,623.03 | \$17,781.91 | \$18,240.99 | \$14,299.07 | -3.9% | -34.5% |
| 04. Intermediate Care for Mentally Retarded | \$70,114.38 | \$73,814.99 | \$75,436.53 | \$71,252.57 | \$91,113.40 | \$87,093.21 | \$89,168.13 | 4.1% | 7.2% |
| 05. Physician Services | \$197.46 | \$204.88 | \$221.29 | \$217.75 | \$222.38 | \$226.50 | \$1,011.62 | 31.3% | 90.3% |
| 06. Dental Services | \$114.18 | \$132.00 | \$146.43 | \$208.52 | \$243.87 | \$242.99 | \$279.96 | 16.1% | -15.6% |
| 07. Other Practitioners | \$57.33 | \$65.18 | \$66.12 | \$71.01 | \$71.45 | \$64.64 | \$87.79 | 7.4% | -50.3% |
| 08. Outpatient Hospital | \$626.31 | \$629.11 | \$705.78 | \$668.09 | \$703.67 | \$665.31 | \$843.87 | 5.1% | 42.3% |
| 09. Clinic Services | \$234.80 | \$234.66 | \$255.39 | \$274.30 | \$307.15 | \$334.68 | \$287.40 | 3.4% | -60.8% |
| 10. Lab and X-Ray | \$55.56 | \$49.27 | \$54.14 | \$58.96 | \$62.88 | \$66.70 | \$81.68 | 6.6% | -55.3% |
| 11. Home Health | \$1,875.19 | \$1,144.56 | \$1,287.55 | \$1,093.28 | \$1,111.50 | \$1,056.06 | \$1,037.30 | -9.4% | -50.3% |
| 12. Prescribed Drugs | \$1,080.84 | \$1,170.23 | \$1,343.18 | \$1,439.99 | \$1,621.78 | \$1,809.00 | \$2,089.84 | 11.6% | 55.3% |
| 13. Family Planning | \$217.54 | \$442.66 | \$487.99 | \$475.15 | \$506.14 | \$518.53 | \$244.64 | 2.0% | -65.6% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$563.81 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$98.52 | -25.2% | -76.9% |
| 15. Other Care | \$734.15 | \$1,968.79 | \$2,196.76 | \$2,445.18 | \$2,479.71 | \$2,302.79 | \$1,993.39 | 18.1% | -0.6% |
| 16. Personal Care Support Services | \$4,786.73 | \$2,311.21 | \$2,386.48 | \$2,510.64 | \$2,789.49 | \$3,036.50 | \$0.00 | -100.0% | -100.0% |
| 17. Home/Community Based Waiver Services | \$6,529.32 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | -100.0% | -100.0% |
| 18. Prepaid Health Care | \$826.21 | \$810.44 | \$969.18 | \$1,031.65 | \$1,226.91 | \$1,325.72 | \$1,415.07 | 9.4% | 19.2% |
| 19. Primary Care Case Management (PCCM) Services | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| Total (Average) | \$3,500.81 | \$3,508.32 | \$3,673.02 | \$3,705.72 | \$3,929.49 | \$4,074.77 | \$4,443.34 | 4.1% | 8.8% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|--------------|--------------|
| TOTAL PER CAPITA EXPENDITURES | \$634.72 | \$695.18 | \$761.96 | \$920.45 | \$1,011.49 | \$1,046.37 | \$1,122.56 | 10.0% | 28.2% |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|--------------|--------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is provided by the state and subject to change when CMS publishes verified data.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 206,175 | 268,684 | 305,326 | 347,033 | 637,643 | 652,952 | 16,987 | -34.0% | 1.5% |
| Poverty Related Eligibles | 259,920 | 264,083 | 405,269 | 276,241 | 111,331 | 128,818 | 1,116,191 | 27.5% | 98.5% |
| Medically Needy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a | 0.0% |
| Other Eligibles | 251,738 | 238,161 | 154,013 | 314,235 | 264,206 | 272,784 | 0 | -100.0% | 0.0% |
| Maintenance Assistance Status Unknown | 16,182 | 26,650 | 25,710 | 41,037 | 22,970 | 26,942 | 0 | -100.0% | 0.0% |
| Total | 734,015 | 797,578 | 890,318 | 978,546 | 1,036,150 | 1,081,496 | 1,133,178 | 7.5% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 202,428 | 203,958 | 212,239 | 218,236 | 227,560 | 236,110 | 260,541 | 4.3% | 23.0% |
| Children | 384,773 | 409,191 | 455,912 | 494,611 | 531,687 | 558,929 | 374,800 | -0.4% | 33.1% |
| Foster Care Children | 14,859 | 18,016 | 20,107 | 22,482 | 23,644 | 24,116 | 0 | -100.0% | 0.0% |
| Adults | 115,773 | 139,763 | 176,350 | 202,180 | 230,289 | 235,399 | 213,166 | 10.7% | 18.8% |
| Basis of Eligibility Unknown | 16,182 | 26,650 | 25,710 | 41,037 | 22,970 | 26,942 | 284,671 | 61.3% | 25.1% |
| Total | 734,015 | 797,578 | 890,318 | 978,546 | 1,036,150 | 1,081,496 | 1,133,178 | 7.5% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 27,330 | 20,870 | 31,252 | 47,116 | 33,353 | 34,404 | 31,037 | 2.1% | 2.7% |
| Age 1 to 5 | 142,186 | 143,601 | 152,387 | 175,189 | 173,875 | 180,990 | 155,185 | 1.5% | 13.7% |
| Age 6 to 14 | 181,373 | 200,879 | 219,749 | 232,282 | 255,511 | 266,538 | 244,787 | 5.1% | 21.6% |
| Age 15 to 20 | 81,044 | 88,285 | 100,878 | 102,376 | 121,702 | 130,825 | 163,192 | 12.4% | 14.4% |
| Age 21 to 44 | 147,058 | 165,104 | 199,278 | 218,209 | 250,282 | 257,289 | 210,725 | 6.2% | 18.6% |
| Age 45 to 64 | 58,750 | 62,821 | 70,512 | 75,255 | 87,541 | 95,175 | 175,604 | 20.0% | 15.5% |
| Age 65 to 74 | 32,984 | 31,706 | 32,656 | 32,948 | 33,671 | 33,749 | 38,783 | 2.7% | 3.4% |
| Age 75 to 84 | 32,949 | 31,386 | 31,821 | 31,388 | 32,356 | 31,550 | 33,935 | 0.5% | 3.0% |
| Age 85 and Over | 29,374 | 26,276 | 26,075 | 22,744 | 24,889 | 24,033 | 24,240 | -3.2% | 2.1% |
| Age Unknown | 967 | 26,650 | 25,710 | 41,039 | 22,970 | 26,943 | 55,690 | 96.5% | 4.9% |
| Total | 734,015 | 797,578 | 890,318 | 978,546 | 1,036,150 | 1,081,496 | 1,133,178 | 7.5% | 100.0% |
| By Race | | | | | | | | | |
| White | 506,398 | 521,247 | 583,448 | 645,265 | 703,338 | 732,719 | 792,246 | 7.7% | 69.9% |
| Black | 226,649 | 229,485 | 253,910 | 278,184 | 271,592 | 274,484 | 287,581 | 4.0% | 25.4% |
| Hispanic, American Indian or Asian | 1 | 17,035 | 17,777 | 18,514 | 9,046 | 10,863 | 11,316 | 373.8% | 1.0% |
| Other/Unknown | 967 | 29,811 | 35,183 | 36,583 | 52,174 | 63,430 | 42,035 | 87.5% | 3.7% |
| Total* | 734,015 | 797,578 | 890,318 | 978,546 | 1,036,150 | 1,081,496 | 1,133,178 | 7.5% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 444,292 | 464,774 | 518,406 | 571,708 | 597,766 | 619,827 | 664,963 | 7.0% | 58.7% |
| Male | 288,756 | 310,117 | 344,153 | 377,979 | 415,414 | 434,727 | 468,214 | 8.4% | 41.3% |
| Unknown | 967 | 22,687 | 27,759 | 28,859 | 22,970 | 26,942 | 1 | -68.2% | 0.0% |
| Total* | 734,015 | 797,578 | 890,318 | 978,546 | 1,036,150 | 1,081,496 | 1,133,178 | 7.5% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is provided by the state and subject to change when CMS publishes verified data.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$340,186,310 | \$901,269,587 | \$1,064,582,686 | \$1,345,029,037 | \$1,788,461,369 | \$2,071,678,119 | \$4,827,564,366 | 55.6% | 95.9% |
| Poverty Related Eligibles | \$274,104,538 | \$315,462,161 | \$499,127,981 | \$404,785,994 | \$216,075,595 | \$193,990,039 | \$207,527,307 | -4.5% | 4.1% |
| Medically Needy | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| Other Eligibles | \$1,942,734,440 | \$1,565,790,525 | \$1,690,386,726 | \$1,858,164,764 | \$2,053,187,075 | \$2,113,298,982 | \$0 | -100.0% | 0.0% |
| Maintenance Assistance Status Unknown | \$12,620,841 | \$15,635,841 | \$16,055,065 | \$18,232,807 | \$13,820,364 | \$27,884,963 | \$0 | -100.0% | 0.0% |
| Total | \$2,569,646,129 | \$2,798,158,114 | \$3,270,152,458 | \$3,626,212,602 | \$4,071,544,403 | \$4,406,852,103 | \$5,035,091,673 | 11.9% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,943,366,578 | \$2,104,811,071 | \$2,351,501,567 | \$2,516,226,068 | \$2,768,484,714 | \$2,934,966,459 | \$3,378,681,859 | 9.7% | 67.1% |
| Children | \$410,373,527 | \$443,693,515 | \$558,122,694 | \$649,965,743 | \$745,207,518 | \$807,993,897 | \$687,790,396 | 9.0% | 13.7% |
| Foster Care Children | \$46,608,272 | \$59,208,809 | \$107,532,112 | \$142,036,503 | \$159,547,739 | \$161,096,206 | \$0 | -100.0% | 0.0% |
| Adults | \$156,676,911 | \$174,808,878 | \$236,941,020 | \$299,751,481 | \$384,484,068 | \$474,910,578 | \$498,506,097 | 21.3% | 9.9% |
| Basis of Eligibility Unknown | \$12,620,841 | \$15,635,841 | \$16,055,065 | \$18,232,807 | \$13,820,364 | \$27,884,963 | \$470,113,321 | 82.7% | 9.3% |
| Total | \$2,569,646,129 | \$2,798,158,114 | \$3,270,152,458 | \$3,626,212,602 | \$4,071,544,403 | \$4,406,852,103 | \$5,035,091,673 | 11.9% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$72,341,660 | \$63,700,441 | \$106,362,092 | \$161,741,559 | \$129,345,714 | \$132,308,084 | \$41,608,702 | -8.8% | 0.8% |
| Age 1 to 5 | \$163,428,780 | \$184,447,302 | \$214,779,734 | \$228,219,391 | \$272,981,133 | \$290,046,800 | \$208,043,507 | 4.1% | 4.1% |
| Age 6 to 14 | \$176,213,721 | \$200,435,499 | \$250,011,776 | \$319,080,946 | \$347,841,392 | \$367,846,014 | \$451,843,615 | 17.0% | 9.0% |
| Age 15 to 20 | \$140,570,168 | \$154,704,714 | \$204,336,947 | \$231,310,693 | \$275,766,421 | \$306,062,627 | \$301,229,077 | 13.5% | 6.0% |
| Age 21 to 44 | \$589,861,158 | \$644,506,373 | \$750,174,471 | \$858,137,119 | \$991,187,989 | \$1,115,299,519 | \$1,384,443,274 | 15.3% | 27.5% |
| Age 45 to 64 | \$465,882,450 | \$530,899,032 | \$642,146,195 | \$726,902,470 | \$883,924,922 | \$1,005,790,480 | \$1,153,702,728 | 16.3% | 22.9% |
| Age 65 to 74 | \$228,326,459 | \$245,383,420 | \$276,555,919 | \$294,766,100 | \$319,753,974 | \$330,530,459 | \$503,656,382 | 14.1% | 10.0% |
| Age 75 to 84 | \$325,826,357 | \$345,248,634 | \$377,243,967 | \$397,105,372 | \$410,979,312 | \$409,248,151 | \$440,699,334 | 5.2% | 8.8% |
| Age 85 and Over | \$406,569,598 | \$413,196,858 | \$432,486,292 | \$390,710,799 | \$425,943,182 | \$421,834,024 | \$314,785,239 | -4.2% | 6.3% |
| Age Unknown | \$625,778 | \$15,635,841 | \$16,055,065 | \$18,238,153 | \$13,820,364 | \$27,885,945 | \$235,079,815 | 168.6% | 4.7% |
| Total | \$2,569,646,129 | \$2,798,158,114 | \$3,270,152,458 | \$3,626,212,602 | \$4,071,544,403 | \$4,406,852,103 | \$5,035,091,673 | 11.9% | 100.0% |
| By Race | | | | | | | | | |
| White | \$1,996,030,667 | \$2,135,596,819 | \$2,501,134,856 | \$2,779,405,905 | \$3,072,119,135 | \$3,304,857,158 | \$3,807,193,266 | 11.4% | 75.6% |
| Black | \$572,989,632 | \$603,469,098 | \$701,529,063 | \$776,178,610 | \$886,035,535 | \$939,592,907 | \$1,059,659,529 | 10.8% | 21.0% |
| Hispanic, American Indian or Asian | \$52 | \$30,908,803 | \$32,958,799 | \$34,519,388 | \$21,687,977 | \$27,349,551 | \$30,717,495 | 816.0% | 0.6% |
| Other/Unknown | \$625,778 | \$28,183,394 | \$34,529,740 | \$36,108,699 | \$91,701,756 | \$135,052,487 | \$137,521,383 | 145.7% | 2.7% |
| Total* | \$2,569,646,129 | \$2,798,158,114 | \$3,270,152,458 | \$3,626,212,602 | \$4,071,544,403 | \$4,406,852,103 | \$5,035,091,673 | 11.9% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$1,599,417,760 | \$1,725,342,768 | \$2,016,557,141 | \$2,238,248,240 | \$2,453,377,747 | \$2,654,572,522 | \$3,053,527,480 | 11.4% | 60.6% |
| Male | \$969,602,591 | \$1,060,931,406 | \$1,236,429,474 | \$1,370,029,884 | \$1,604,346,292 | \$1,724,394,618 | \$1,981,564,193 | 12.7% | 39.4% |
| Unknown | \$625,778 | \$11,883,940 | \$17,165,843 | \$17,934,478 | \$13,820,364 | \$27,884,963 | \$0 | -100.0% | 0.0% |
| Total* | \$2,569,646,129 | \$2,798,158,114 | \$3,270,152,458 | \$3,626,212,602 | \$4,071,544,403 | \$4,406,852,103 | \$5,035,091,673 | 11.9% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is provided by the state and subject to change when CMS publishes verified data.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | | | | | | | | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|--------------|------------------|--|
| By Maintenance Assistance Status | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$1,649.99 | \$3,354.39 | \$3,486.71 | \$3,875.80 | \$2,804.80 | \$3,172.79 | \$284,191.70 | 135.9% | 4510.7% |
| Poverty Related Eligibles | \$1,054.57 | \$1,194.56 | \$1,231.60 | \$1,465.34 | \$1,940.84 | \$1,505.92 | \$185.92 | -25.1% | -89.7% |
| Medically Needy | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| Other Eligibles | \$7,717.29 | \$6,574.50 | \$10,975.61 | \$5,913.30 | \$7,771.16 | \$7,747.15 | \$0.00 | -100.0% | -100.0% |
| Maintenance Assistance Status Unknown | \$779.93 | \$586.71 | \$624.47 | \$444.30 | \$601.67 | \$1,035.00 | \$0.00 | -100.0% | -100.0% |
| Total | \$3,500.81 | \$3,508.32 | \$3,673.02 | \$3,705.72 | \$3,929.49 | \$4,074.77 | \$4,443.34 | 4.1% | 8.8% |
| | | | | | | | | | |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$9,600.29 | \$10,319.83 | \$11,079.50 | \$11,529.84 | \$12,165.95 | \$12,430.50 | \$12,967.95 | 5.1% | 18.5% |
| Children | \$1,066.53 | \$1,084.32 | \$1,224.19 | \$1,314.09 | \$1,401.59 | \$1,445.61 | \$1,835.09 | 9.5% | 27.9% |
| Foster Care Children | \$3,136.70 | \$3,286.46 | \$5,347.99 | \$6,317.79 | \$6,747.92 | \$6,680.05 | \$0.00 | -100.0% | -100.0% |
| Adults | \$1,353.31 | \$1,250.75 | \$1,343.58 | \$1,482.60 | \$1,669.57 | \$2,017.47 | \$2,338.58 | 9.5% | -11.0% |
| Basis of Eligibility Unknown | \$779.93 | \$586.71 | \$624.47 | \$444.30 | \$601.67 | \$1,035.00 | \$1,651.43 | 13.3% | -33.5% |
| Total | \$3,500.81 | \$3,508.32 | \$3,673.02 | \$3,705.72 | \$3,929.49 | \$4,074.77 | \$4,443.34 | 4.1% | 8.8% |
| | | | | | | | | | |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,646.97 | \$3,052.25 | \$3,403.37 | \$3,432.84 | \$3,878.08 | \$3,845.72 | \$1,340.62 | -10.7% | -61.8% |
| Age 1 to 5 | \$1,149.40 | \$1,284.44 | \$1,409.44 | \$1,302.70 | \$1,569.98 | \$1,602.56 | \$1,340.62 | 2.6% | -23.4% |
| Age 6 to 14 | \$971.55 | \$997.79 | \$1,137.72 | \$1,373.68 | \$1,361.36 | \$1,380.09 | \$1,845.86 | 11.3% | 11.9% |
| Age 15 to 20 | \$1,734.49 | \$1,752.33 | \$2,025.58 | \$2,259.42 | \$2,265.92 | \$2,339.48 | \$1,845.86 | 1.0% | -28.6% |
| Age 21 to 44 | \$4,011.08 | \$3,903.64 | \$3,764.46 | \$3,932.64 | \$3,960.28 | \$4,334.81 | \$6,569.91 | 8.6% | 32.8% |
| Age 45 to 64 | \$7,929.91 | \$8,450.98 | \$9,106.91 | \$9,659.19 | \$10,097.27 | \$10,567.80 | \$6,569.91 | -3.1% | -30.6% |
| Age 65 to 74 | \$6,922.34 | \$7,739.34 | \$8,468.76 | \$8,946.40 | \$9,496.42 | \$9,793.79 | \$12,986.52 | 11.1% | 69.5% |
| Age 75 to 84 | \$9,888.81 | \$11,000.08 | \$11,855.19 | \$12,651.50 | \$12,701.80 | \$12,971.42 | \$12,986.57 | 4.6% | 17.3% |
| Age 85 and Over | \$13,841.14 | \$15,725.26 | \$16,586.24 | \$17,178.63 | \$17,113.71 | \$17,552.28 | \$12,986.19 | -1.1% | -22.4% |
| Age Unknown | \$647.13 | \$586.71 | \$624.47 | \$444.41 | \$601.67 | \$1,035.00 | \$4,221.22 | 36.7% | 56.8% |
| Total | \$3,500.81 | \$3,508.32 | \$3,673.02 | \$3,705.72 | \$3,929.49 | \$4,074.77 | \$4,443.34 | 4.1% | 8.8% |
| | | | | | | | | | |
| By Race | | | | | | | | | |
| White | \$3,941.62 | \$4,097.09 | \$4,286.82 | \$4,307.39 | \$4,367.91 | \$4,510.40 | \$4,805.57 | 3.4% | -5.1% |
| Black | \$2,528.09 | \$2,629.67 | \$2,762.90 | \$2,790.16 | \$3,262.38 | \$3,423.12 | \$3,684.73 | 6.5% | 8.9% |
| Hispanic, American Indian or Asian | \$52.00 | \$1,814.43 | \$1,854.01 | \$1,864.50 | \$2,397.52 | \$2,517.68 | \$2,714.52 | 93.3% | 2.7% |
| Other/Unknown | \$647.13 | \$945.40 | \$981.43 | \$987.03 | \$1,757.61 | \$2,129.16 | \$3,271.59 | 31.0% | -26.5% |
| Total | \$3,500.81 | \$3,508.32 | \$3,673.02 | \$3,705.72 | \$3,929.49 | \$4,074.77 | \$4,443.34 | 4.1% | 8.8% |
| | | | | | | | | | |
| By Sex | | | | | | | | | |
| Female | \$3,599.92 | \$3,712.22 | \$3,889.92 | \$3,915.02 | \$4,104.24 | \$4,282.76 | \$4,592.03 | 4.1% | 8.9% |
| Male | \$3,357.86 | \$3,421.07 | \$3,592.67 | \$3,624.62 | \$3,862.04 | \$3,966.61 | \$4,232.18 | 3.9% | 4.0% |
| Unknown | \$647.13 | \$523.82 | \$618.39 | \$621.45 | \$601.67 | \$1,035.00 | \$0.00 | -100.0% | -100.0% |
| Total | \$3,500.81 | \$3,508.32 | \$3,673.02 | \$3,705.72 | \$3,929.49 | \$4,074.77 | \$4,443.34 | 4.1% | 8.8% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is provided by the state and subject to change when CMS publishes verified data.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Missouri has one Freedom of Choice Waiver, under Title XIX, Section 1915 (b), called Managed Care Plus (MC+).

- MC+ refers to the statewide medical assistance program for low income pregnant women, children, and some uninsured parents. MC+ recipients receive their care through either a Fee-For-Service (FFS) delivery system or the managed care delivery system, depending on where the individual lives in the state. In regions of the state where MC+ health plans are operational, participants must enroll in a MC+ health plan. In areas of the state where MC+ is not operational, participants may freely choose an approved provider for health care under the FFS delivery system.
- As of June 30, 2004, the MC+ Managed Care program covered 58% of the MC+ population as follows:

| <u>Region</u> | <u>Number of Counties</u> | <u>Number of Eligibles</u> | <u>Start Date</u> |
|---------------|-------------------------------|--------------------------------|-------------------|
| Eastern | 10 | 235,761 | 9/1/95 |
| Central | 18 | 63,576 | 3/1/96 |
| Western | 9 | 133,002 | 1/1/97 |

Missouri also operates a number of Home and Community Based Service Waivers under Section 1915 (c), enabling the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Aged and Disabled: Served 23,330 people in waiver year 2003 and 23,216 in waiver year 2004; operating since April 22, 1980.
- Mental Retardation/Developmental Disabilities: Serves 7,570 people in waiver year 2003 and 7,443 in waiver year 2004, operating since July 1, 1988.
- AIDS: Served 76 people in waiver year 2003 and 86 people in waiver year 2004, operating since July 1, 1998.
- Children with Mental Retardation/Developmental Disabilities, to age 18: Served 188 children in waiver year 2003 and 197 children in waiver year 2004, operating since October 1, 1995.
- Physical Disability Waiver: Served 26 people in waiver year 2003 and 40 people in waiver year 2004, operating since July 1, 1998.
- Independent Living Waiver: Served 560 individuals in waiver year 2003 and 544 individuals in waiver year 2004 that were age 18 to 64, operating since January 1, 2000.
- Consumer Support Waiver: Served 475 individuals in waiver year 2004, established July 1, 2003.

- 1115 Waiver: developed to expand Medicaid coverage to children through the SCHIP program and uninsured parents.

Recipients receive their care through either a Fee-For-Service or the MC+ Managed Care delivery system, depending on where the individual lives in Missouri. The Uninsured Parents Program was implemented February 1, 1999. The statewide enrollment as of June 30, 2004 was 11,727.

- The MC+ program (under the 1115 Waiver) provides Medicaid coverage to adults who qualify for the Uninsured Parents Program as follows:

Uninsured Medicaid-ineligible adults transitioning off welfare with family income up to 100% of the FPL.

Uninsured women losing their Medicaid eligibility 60 days after the birth of their child continue to be eligible for women's health services, regardless of income level, for 1 year plus 60 days.

Managed Care

- Any Willing Provider Clause: Yes

SOUTHERN REGION MEDICAID PROFILE

Coverage for Targeted Population

- The Uninsured: The state does not have an indigent care program.

Enacted legislation in 2001 that created the Missouri Senior Rx Program, to become operational in July 2002. Eligible participants must pay a 40% co-payment for prescription drugs and are limited to \$5,000 per year per enrollee. Also requires payment of initial enrollment fees of \$25 to \$35.

Cost Containment Measures

- Certificate of Need Program since 1979. Regulates introduction or expansion of new institutional health facilities and services. After December 31, 2001, CON will only be required for long-term care facilities and construction of new hospitals. As of January 1, 2003, the moratorium expired.
- In 1999, amended CON laws to allow certain facilities to purchase beds from underused facilities.
- Large Case Management (LCM) Program: MC+ managed care enrollees whose inpatient costs exceed \$50,000 in a contract year are transferred to the LCM program for the remainder of the contract year. The state assumes responsibility for 80% of the accrued inpatient hospital costs in excess of \$50,000; the MCO is responsible for the remaining 20%. The MCO reassumes full responsibility for the enrollee at the beginning of the new contract year. As of March 1, 2001, all MC+ managed care regions are responsible for their own reinsurance and LCM.

Medicaid

- 11 optional services are offered for children and adults in a category of assistance for pregnant women or the blind effective September 1, 2005.
- State has broad-based taxes on facilities such as hospitals and nursing homes to generate funds for the state Medicaid program.
- In August 2001, received approval from the HHS to extend Medicaid coverage to low-income, uninsured women for breast or cervical treatment. The number of recipients enrolled in this program as of June 30, 2003 was 463, increasing to 653 by June 30, 2004.
- Enacted legislation July 1, 2002 to extend Medicaid coverage to individuals that could be eligible as a result of the federal Ticket to Work and Medicaid Buy-in legislation.

The Medical Assistance for Working Disabled (MA-WD) program provided services to individuals with disabilities (income up to 250% of the FPL) that were required to enable them to gain or keep employment. As of June 30, 2003 there were 12,486 individuals enrolled in the MA-WD program. As of June 30, 2004 there were 17,619 individuals enrolled in the MA-WD program. The MA-WD program has been eliminated effective September 1, 2005.

- In FY 02, enacted legislation as follows:

1. Established prior authorization for all new drugs and prior authorization of overused or misused and drugs.
2. Approved a preferred drug list to be implemented by January 1, 2003.
3. Limit use of over-the-counter drugs to a specific limited list, except insulin and expanded MAC coverage list.
4. Implemented a pharmacy provider tax utilizing a portion of the tax for an increase in the dispensing fee for pharmacies from \$4.09 to \$8.04.

- In FY 05, enacted legislation that eliminated certain optional Medicaid services for adults (exempts children, pregnant women, aged, blind, or disabled) as follows:

1. Comprehensive day rehabilitation.
2. Adult dental services, except for treatment for trauma or disease/medical conditions.
3. Durable medical equipment, including wheel chairs and batteries, 3 wheeled scooters, decubitus care cushions and mattresses, all orthotics (body braces), etc.
4. Rehabilitation services (i.e. occupational, speech, or physical therapy).
5. Audiology (hearing aids and associated testing services).
6. Optical services, except for 1 eye exam every 2 years.
7. Foot care services (limited only).
8. Diabetes self-management training.

- Effective September 1, 2005, required recipients to pay co-pays from \$0.50 to \$10.00 at the time of service.

SOUTHERN REGION MEDICAID PROFILE

Children's Health Insurance Program: Medicaid Expansion

- SCHIP in Missouri is administered by the Division of Medical Services through an HMO style program (MC+), as well as a FFS program.
- The SCHIP program is an expansion of Medicaid to provide health care benefits for children/adolescents from birth to age 18 in families with incomes up to 300% of the FPL. The program received CMS approval on April 28, 1998. The statewide enrollment as of June 30, 2004 was 92,165.

Cost Sharing Provisions of MC+:

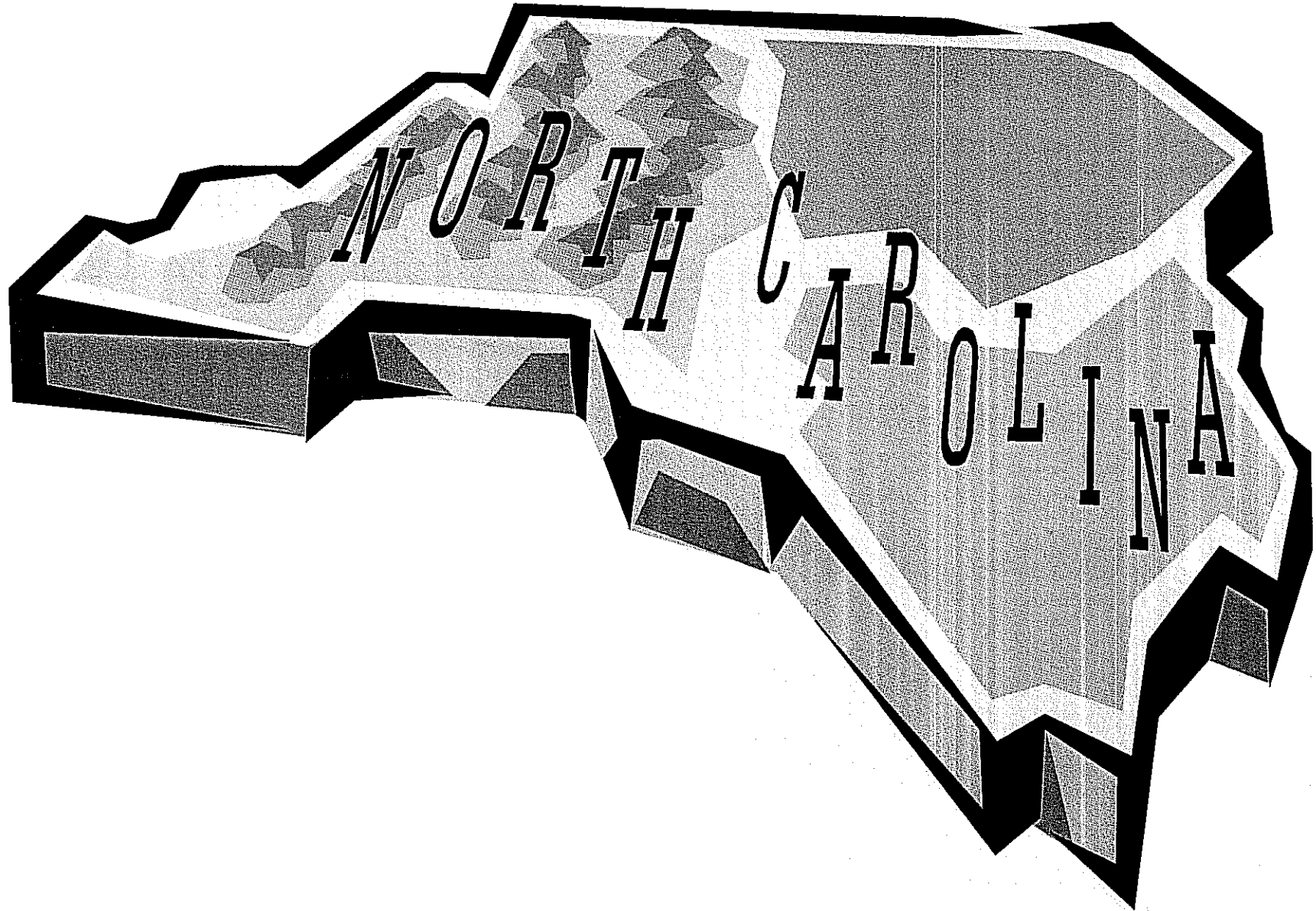
- There are no cost sharing obligations for Parent's Fair Share Program participants, those covered under the women's health services program, and children/adolescents in families with income up to 185% of the FPL.
 - Co-payments for adults: \$10 per provider visit and \$5 per prescription.
 - Co-payments for children/adolescents in families with income from 185% to 225% of the FPL: \$5 per provider visit.
 - Premiums and co-payments for children/adolescents in families with income from 226% to 300% of the FPL: Co-payments: \$10 per provider visit and \$9 per prescription.
- Effective July 1, 2005, premiums will vary from \$65 to \$257 based on income and family size.

Tobacco Settlement

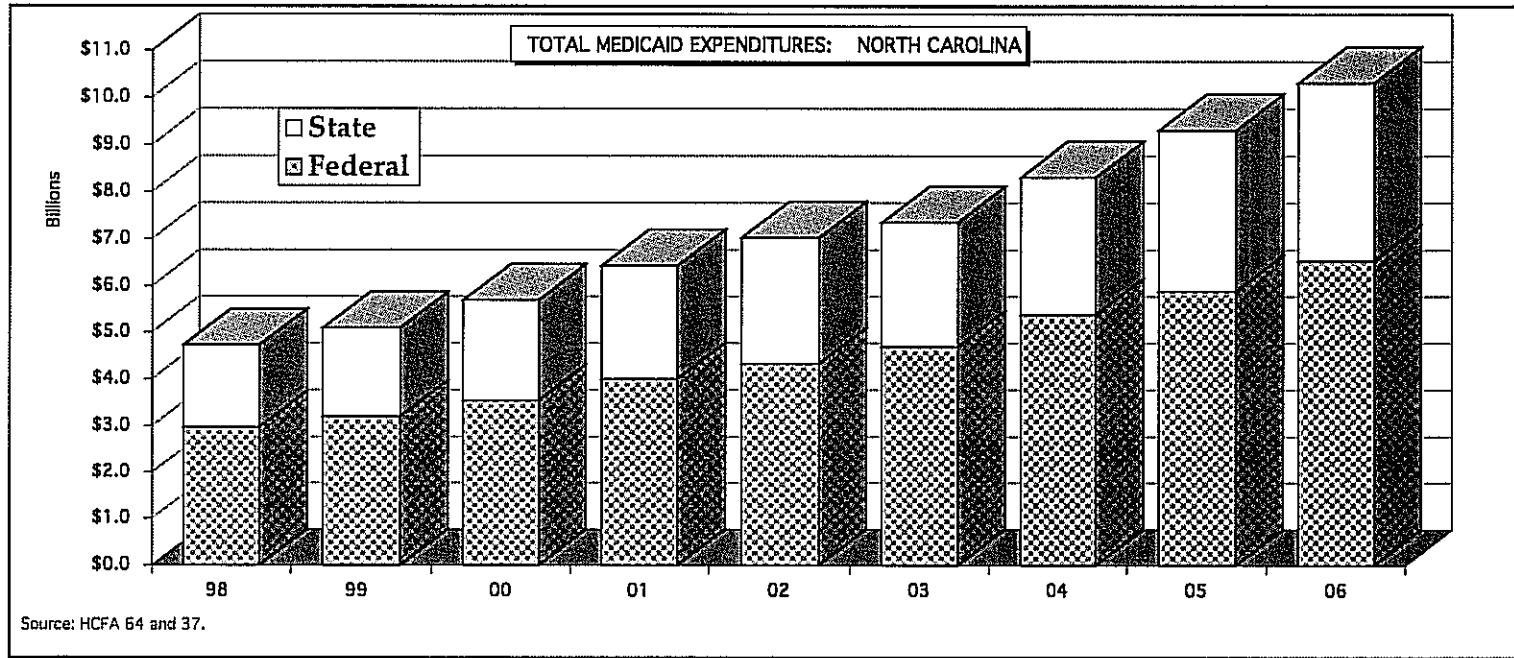
- The state expects to receive approximately \$4.6 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$693.3 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | MO | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$23,266,000 | 3.4% | \$1,813,423,000 | 4.6% |
| Health services | \$221,856,000 | 32.0% | \$11,824,057,000 | 29.9% |
| Long-term care | \$189,385,000 | 27.3% | \$2,200,066,000 | 5.6% |
| Health research | \$21,600,000 | 3.1% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$14,400,000 | 2.1% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$50,000,000 | 7.2% | \$7,636,209,000 | 19.3% |
| Other | \$172,812,000 | 24.9% | \$10,048,868,000 | 25.4% |
| Total | \$693,319,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$4,547,756,041 | \$4,885,503,195 | \$5,464,863,059 | \$6,150,681,587 | \$6,723,598,560 | \$7,050,804,888 | \$7,945,585,983 | \$8,816,972,000 | \$9,843,751,000 | 10.1% | 116.5% |
| Federal Share | \$2,875,510,338 | \$3,087,681,703 | \$3,421,052,149 | \$3,850,734,836 | \$4,161,693,996 | \$4,520,695,624 | \$5,178,131,847 | \$5,621,626,000 | \$6,278,239,000 | 10.3% | 118.3% |
| State Share | \$1,672,245,703 | \$1,797,821,492 | \$2,043,810,910 | \$2,299,946,751 | \$2,561,904,564 | \$2,530,109,264 | \$2,767,454,136 | \$3,195,346,000 | \$3,565,512,000 | 9.9% | 113.2% |
| Administrative Costs | \$185,333,494 | \$209,904,718 | \$233,556,917 | \$278,725,379 | \$302,125,603 | \$301,214,843 | \$367,458,622 | \$491,778,000 | \$472,893,000 | 12.4% | 155.2% |
| Federal Share | \$99,010,462 | \$114,242,646 | \$128,758,258 | \$152,482,886 | \$167,160,907 | \$171,895,548 | \$202,196,203 | \$269,092,000 | \$257,729,000 | 12.7% | 160.3% |
| State Share | \$86,323,032 | \$95,662,072 | \$104,798,659 | \$126,242,493 | \$134,964,696 | \$129,319,295 | \$165,262,419 | \$222,686,000 | \$215,164,000 | 12.1% | 149.3% |
| Admin. Costs as % of Payments | 4.08% | 4.30% | 4.27% | 4.53% | 4.49% | 4.27% | 4.62% | 5.58% | 4.80% | | |
| Federal Match Rate* | 63.09% | 63.07% | 62.49% | 62.47% | 61.46% | 62.56% | 62.85% | 63.63% | 63.49% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

| STATE FINANCING | Payments | | Administration | |
|---------------------|-----------------|-----------------|----------------|---------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund* | \$1,672,245,703 | \$2,767,454,136 | \$86,323,032 | \$165,262,419 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$0 | \$0 | \$0 |
| Donations | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$1,672,245,703 | \$2,767,454,136 | \$86,323,032 | \$165,262,419 |

| Provider Taxes Currently in Place (FFY 04) | |
|--|--------|
| Tax Rate | Amount |
| NO PROVIDER TAXES | |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

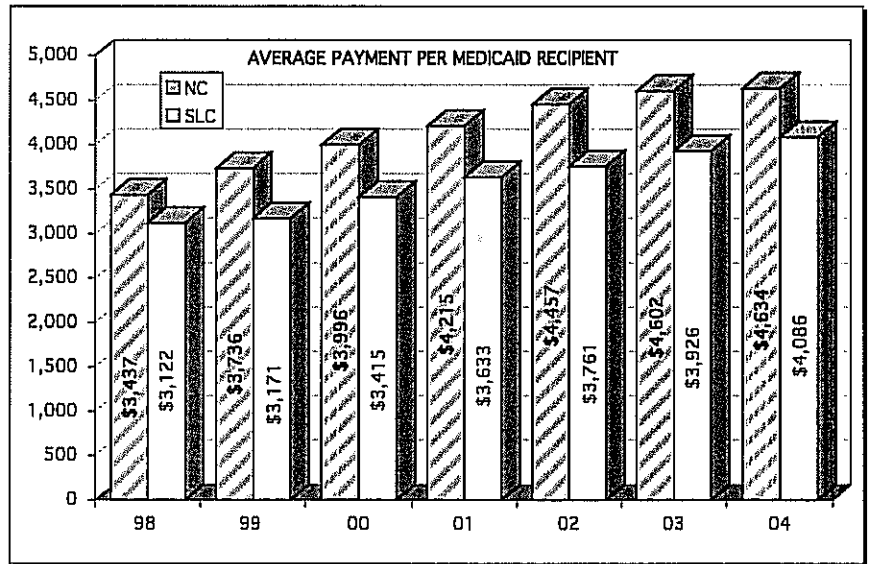
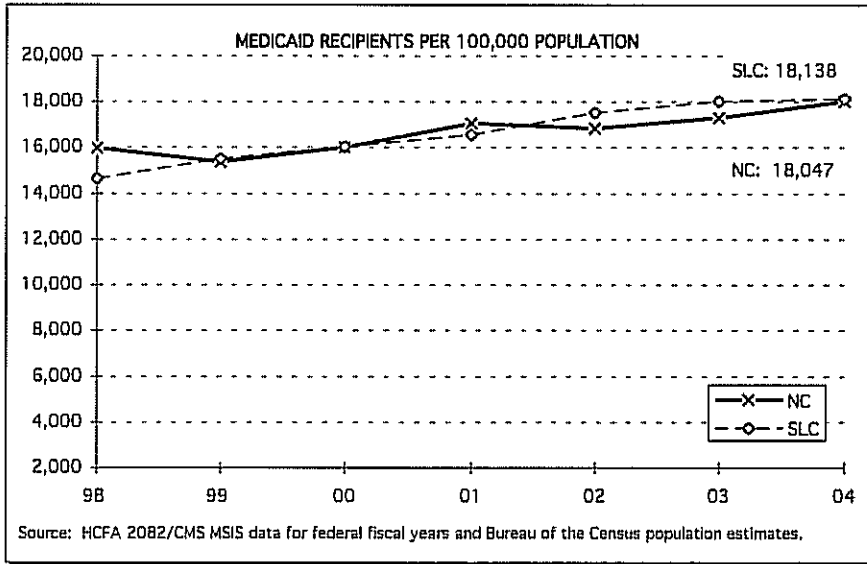
| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Hospitals | \$187,665,204 | \$227,672,613 | \$236,744,407 | \$259,509,072 | \$275,834,347 | \$378,516,668 | \$418,211,290 | \$231,344,000 | \$232,200,000 | -0.3% |
| Mental Hospitals | \$166,439,546 | \$170,292,750 | \$176,842,977 | \$174,935,077 | \$179,324,307 | \$2,917,716 | \$3,178,664 | \$161,598,000 | \$181,400,000 | 0.4% |
| Total | \$354,104,750 | \$397,965,363 | \$413,587,384 | \$434,444,149 | \$455,158,654 | \$381,434,384 | \$421,389,954 | \$392,942,000 | \$413,600,000 | 0.0% |

| SELECTED ELIGIBILITY CRITERIA | | | | DEMOGRAPHIC DATA & POVERTY INDICATORS (2004) | | | |
|--|------------|-----------|--|---|---------------|--|--------------|
| | At 10/1/04 | % of FPL* | | | | | Rank in U.S. |
| TANF-Temporary Assistance for Needy Families (Family of 3) | | | | State population—July 1, 2004* | 8,541,221 | | 11 |
| Need Standard | \$544 | 41.7% | | Per capita personal income** | \$29,246 | | 37 |
| Payment Standard | \$272 | N/A | | Median household income** | \$38,212 | | 38 |
| Maximum Payment | \$272 | N/A | | | | | |
| Medically Needy Program (Family of 3) | | | | Population below Federal Poverty Level on July 1, 2003* | 1,212,853 | | |
| Income Eligibility Standard | \$367 | | | Percent of total state population | 14.2% | | 9 |
| Resource Standard | \$3,000 | | | | | | |
| Pregnant Women, Children and Infants (% of FPL*) | | | | Population without health insurance coverage* | 1,424,000 | | 6 |
| Pregnant women and infants | | 185.0% | | Percent of total state population | 16.7% | | 16 |
| Children 1 to 5 | | 133.0% | | | | | |
| Children 6 to 18 | | 100.0% | | Recipients of Food Stamps*** | 746,988 | | 11 |
| SSI Eligibility Levels | | | | Households receiving Food Stamps*** | 315,514 | | 11 |
| Income: | | | | Total value of issuance*** | \$756,542,732 | | 12 |
| Single Person | \$564 | 72.7% | | Average monthly benefit per recipient | \$84.40 | | 21 |
| Couple | \$846 | 81.3% | | Average monthly benefit per household | \$199.82 | | |
| Resources: | | | | Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 82,918 | | 18 |
| Single Person | \$2,000 | | | Total TANF payments**** | \$115,389,614 | | 39 |
| Couple | \$3,000 | | | Average monthly payment per recipient | \$115.97 | | 39 |
| | | | | Maximum monthly payment per family of 3 | \$272.00 | | 42 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| 01. General Hospital | 171,477 | 178,092 | 195,406 | 197,136 | 202,664 | 205,779 | 214,478 | 3.8% |
| 02. Mental Hospital | 2,387 | 1,993 | 2,614 | 2,631 | 2,454 | 2,489 | 2,728 | 2.3% |
| 03. Skilled and Intermediate (non-MIR) Care Nursing | 41,683 | 42,382 | 42,752 | 43,741 | 43,128 | 43,143 | 43,421 | 0.7% |
| 04. Intermediate Care for Mentally Retarded | 4,853 | 4,802 | 4,733 | 4,716 | 4,661 | 4,588 | 4,580 | -1.0% |
| 05. Physician Services | 805,816 | 811,612 | 865,447 | 946,861 | 1,006,830 | 1,062,621 | 1,392,685 | 9.5% |
| 06. Dental Services | 212,697 | 213,972 | 219,805 | 284,384 | 325,941 | 370,784 | 415,195 | 11.8% |
| 07. Other Practitioners | 159,902 | 152,555 | 226,147 | 249,306 | 252,179 | 246,175 | 267,265 | 8.9% |
| 08. Outpatient Hospital | 459,214 | 488,111 | 516,576 | 586,546 | 637,476 | 665,035 | 741,934 | 8.3% |
| 09. Clinic Services | 182,633 | 516,525 | 514,140 | 556,924 | 533,928 | 535,202 | 515,808 | 18.9% |
| 10. Lab and X-Ray | 594,307 | 540,123 | 591,661 | 651,112 | 723,426 | 747,816 | 810,917 | 5.3% |
| 11. Home Health | 62,187 | 29,676 | 30,359 | 32,279 | 33,455 | 33,972 | 154,828 | 16.4% |
| 12. Prescribed Drugs | 764,886 | 797,903 | 827,039 | 907,413 | 949,795 | 1,015,932 | 1,057,239 | 5.5% |
| 13. Family Planning | 73,849 | 8,438 | 8,572 | 9,651 | 10,824 | 10,122 | 12,113 | -26.0% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 387,904 | 0 | 0 | 0 | 0 | 0 | 0 | -100.0% |
| 15. Other Care | 165,210 | 211,402 | 260,384 | 278,218 | 315,541 | 330,136 | 140,010 | -2.7% |
| 16. Personal Care Support Services | 356,450 | 99,205 | 125,805 | 142,519 | 142,787 | 123,769 | 69,805 | -23.8% |
| 17. Home/Community Based Waiver Services | 14,421 | 0 | 0 | 0 | 0 | 0 | 0 | -100.0% |
| 18. Prepaid Health Care | 220,700 | 52,062 | 61,555 | 66,197 | 33,718 | 34,046 | 41,724 | -24.2% |
| 19. Primary Care Case Management (PCCM) Services | 591,740 | 736,427 | 792,641 | 849,873 | 945,213 | 1,013,309 | 1,094,131 | 10.8% |
| Total* | 1,167,988 | 1,141,774 | 1,208,789 | 1,304,684 | 1,355,269 | 1,416,912 | 1,541,450 | 4.7% |

1,541,450

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------------|
| 01. General Hospital | \$692,184,068 | \$684,598,964 | \$769,139,076 | \$820,619,191 | \$867,277,556 | \$894,305,809 | \$951,401,113 | 5.4% | 13.3% |
| 02. Mental Hospital | \$26,557,229 | \$17,450,155 | \$26,134,143 | \$27,742,930 | \$32,529,154 | \$31,302,231 | \$34,625,584 | 4.5% | 0.5% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$760,826,548 | \$805,603,790 | \$817,940,754 | \$852,242,911 | \$882,268,478 | \$869,819,078 | \$896,995,683 | 2.8% | 12.6% |
| 04. Intermediate Care for Mentally Retarded | \$361,838,061 | \$382,579,145 | \$383,583,590 | \$398,653,623 | \$408,643,266 | \$410,424,970 | \$412,470,745 | 2.2% | 5.8% |
| 05. Physician Services | \$335,106,875 | \$349,748,787 | \$415,197,398 | \$497,972,087 | \$516,076,571 | \$536,378,224 | \$697,369,742 | 13.0% | 9.8% |
| 06. Dental Services | \$42,821,503 | \$54,442,765 | \$58,412,707 | \$84,128,870 | \$107,989,669 | \$144,328,048 | \$179,085,614 | 26.9% | 2.5% |
| 07. Other Practitioners | \$10,405,963 | \$9,976,992 | \$75,234,970 | \$76,287,509 | \$56,103,599 | \$46,307,851 | \$50,601,712 | 30.2% | 0.7% |
| 08. Outpatient Hospital | \$209,392,736 | \$240,436,556 | \$286,847,001 | \$358,577,981 | \$444,783,859 | \$543,479,178 | \$511,730,500 | 16.1% | 7.2% |
| 09. Clinic Services | \$47,713,966 | \$288,733,197 | \$126,131,200 | \$167,381,841 | \$326,287,639 | \$397,055,585 | \$562,838,599 | 50.9% | 7.9% |
| 10. Lab and X-Ray | \$69,535,830 | \$52,742,389 | \$68,592,076 | \$82,452,628 | \$93,632,997 | \$99,337,060 | \$108,913,985 | 7.8% | 1.5% |
| 11. Home Health | \$98,708,726 | \$75,235,845 | \$82,325,244 | \$83,627,315 | \$96,022,709 | \$95,229,664 | \$99,101,136 | 0.1% | 1.4% |
| 12. Prescribed Drugs | \$466,528,812 | \$611,309,477 | \$794,550,074 | \$971,066,103 | \$1,069,140,895 | \$1,263,258,395 | \$1,470,497,694 | 21.1% | 20.6% |
| 13. Family Planning | \$22,561,251 | \$11,146,114 | \$11,425,652 | \$14,055,467 | \$17,440,949 | \$16,707,208 | \$18,848,570 | -3.0% | 0.3% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$30,846,296 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -100.0% | 0.0% |
| 15. Other Care | \$12,764,633 | \$327,644,547 | \$591,388,093 | \$612,582,758 | \$725,692,985 | \$821,731,885 | \$865,825,907 | 101.9% | 12.1% |
| 16. Personal Care Support Services | \$452,804,716 | \$255,122,949 | \$242,698,033 | \$356,027,976 | \$335,427,496 | \$299,671,262 | \$220,873,275 | -11.3% | 3.1% |
| 17. Home/Community Based Waiver Services | \$275,215,305 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -100.0% | 0.0% |
| 18. Prepaid Health Care | \$85,665,363 | \$45,508,840 | \$54,661,005 | \$66,802,062 | \$33,205,790 | \$20,466,589 | \$27,380,495 | -17.3% | 0.4% |
| 19. Primary Case Management (PCCM) Services | \$12,518,861 | \$53,476,960 | \$25,764,816 | \$28,872,249 | \$28,487,396 | \$31,485,023 | \$34,915,378 | 18.6% | 0.5% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$4,013,996,742 | \$4,265,757,472 | \$4,830,025,832 | \$5,499,093,501 | \$6,041,011,008 | \$6,521,288,060 | \$7,143,475,732 | 10.1% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLC | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|-------------|
| | | | | | | | | | Avg. FFY 04 |
| 01. General Hospital | \$4,036.60 | \$3,844.07 | \$3,936.11 | \$4,162.71 | \$4,279.39 | \$4,345.95 | \$4,435.89 | 1.6% | -9.1% |
| 02. Mental Hospital | \$11,125.78 | \$8,755.72 | \$9,997.76 | \$10,544.63 | \$13,255.56 | \$12,576.23 | \$12,692.66 | 2.2% | -27.7% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$18,252.68 | \$19,008.16 | \$19,132.22 | \$19,483.85 | \$20,456.98 | \$20,161.30 | \$20,658.11 | 2.1% | -5.3% |
| 04. Intermediate Care for Mentally Retarded | \$74,559.67 | \$79,670.79 | \$81,044.49 | \$84,532.15 | \$87,672.87 | \$89,456.18 | \$90,059.11 | 3.2% | 8.3% |
| 05. Physician Services | \$415.86 | \$430.93 | \$479.75 | \$525.92 | \$512.58 | \$504.77 | \$500.74 | 3.1% | -5.8% |
| 06. Dental Services | \$201.33 | \$254.44 | \$265.75 | \$295.83 | \$331.32 | \$389.25 | \$431.33 | 13.5% | 30.1% |
| 07. Other Practitioners | \$65.08 | \$65.40 | \$332.68 | \$306.00 | \$222.48 | \$188.11 | \$189.33 | 19.5% | 7.2% |
| 08. Outpatient Hospital | \$455.98 | \$492.59 | \$555.29 | \$611.34 | \$697.73 | \$817.22 | \$689.73 | 7.1% | 16.3% |
| 09. Clinic Services | \$261.26 | \$558.99 | \$245.32 | \$300.55 | \$611.11 | \$741.88 | \$1,091.18 | 26.9% | 48.9% |
| 10. Lab and X-Ray | \$117.00 | \$97.65 | \$115.93 | \$126.63 | \$129.43 | \$132.84 | \$134.31 | 2.3% | -26.6% |
| 11. Home Health | \$1,587.29 | \$2,535.24 | \$2,711.72 | \$2,590.77 | \$2,870.21 | \$2,803.18 | \$640.07 | -14.0% | -69.3% |
| 12. Prescribed Drugs | \$609.93 | \$766.15 | \$960.72 | \$1,070.15 | \$1,125.65 | \$1,243.45 | \$1,390.88 | 14.7% | 3.3% |
| 13. Family Planning | \$305.51 | \$1,320.94 | \$1,332.90 | \$1,456.37 | \$1,611.32 | \$1,650.58 | \$1,556.06 | 31.2% | 118.7% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$79.52 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | -100.0% | -100.0% |
| 15. Other Care | \$77.26 | \$1,549.86 | \$2,271.22 | \$2,201.81 | \$2,299.84 | \$2,489.07 | \$6,184.03 | 107.6% | 208.3% |
| 16. Personal Care Support Services | \$1,270.32 | \$2,571.67 | \$1,929.16 | \$2,498.11 | \$2,349.15 | \$2,421.21 | \$3,164.15 | 16.4% | 134.9% |
| 17. Home/Community Based Waiver Services | \$19,084.34 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | -100.0% | -100.0% |
| 18. Prepaid Health Care | \$388.15 | \$874.13 | \$888.00 | \$1,009.14 | \$984.81 | \$601.15 | \$656.23 | 9.1% | -44.7% |
| 19. Primary Care Case Management (PCCM) Services | \$21.16 | \$72.62 | \$32.51 | \$33.97 | \$30.14 | \$31.07 | \$31.91 | 7.1% | 3.6% |
| Total (Average) | \$3,436.68 | \$3,736.08 | \$3,995.76 | \$4,214.89 | \$4,457.43 | \$4,602.47 | \$4,634.26 | 5.1% | 13.4% |

TOTAL PER CAPITA EXPENDITURES

| | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|------|-------|
| | \$647.57 | \$685.73 | \$755.11 | \$840.36 | \$872.84 | \$898.09 | \$973.29 | 7.0% | 11.1% |
|--|----------|----------|----------|----------|----------|----------|----------|------|-------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 594,269 | 373,135 | 464,932 | 564,713 | 577,515 | 545,303 | 596,458 | 0.1% | 38.7% |
| Poverty Related Eligibles | 389,458 | 531,452 | 585,047 | 589,618 | 614,660 | 649,147 | 704,229 | 10.4% | 45.7% |
| Medically Needy | 122,027 | 38,491 | 34,110 | 36,174 | 35,742 | 36,517 | 41,486 | -16.5% | 2.7% |
| Other Eligibles | 62,234 | 145,043 | 62,649 | 56,809 | 64,412 | 124,739 | 133,198 | 13.5% | 8.6% |
| Maintenance Assistance Status Unknown | 0 | 53,653 | 62,051 | 57,370 | 62,940 | 61,206 | 66,079 | 4.3% | 4.3% |
| Total | 1,167,988 | 1,141,774 | 1,208,789 | 1,304,684 | 1,355,269 | 1,416,912 | 1,541,450 | 4.7% | 100.0% |
| | | | | | 0 | | | | |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 356,930 | 349,353 | 354,783 | 363,341 | 367,996 | 376,371 | 411,931 | 2.4% | 26.7% |
| Children | 609,190 | 537,032 | 585,886 | 633,766 | 669,395 | 706,682 | 768,037 | 3.9% | 49.8% |
| Foster Care Children | 12,176 | 13,253 | 14,061 | 14,787 | 15,393 | 16,043 | 17,448 | 6.2% | 1.1% |
| Adults | 189,692 | 188,483 | 192,008 | 235,420 | 239,545 | 256,610 | 277,954 | 6.6% | 18.0% |
| Basis of Eligibility Unknown | 0 | 53,653 | 62,051 | 57,370 | 62,940 | 61,206 | 66,080 | 4.3% | 4.3% |
| Total | 1,167,988 | 1,141,774 | 1,208,789 | 1,304,684 | 1,355,269 | 1,416,912 | 1,541,450 | 4.7% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 79,785 | 51,025 | 54,401 | 56,225 | 55,897 | 55,187 | 60967 | -4.4% | 4.0% |
| Age 1 to 5 | 213,089 | 207,662 | 220,839 | 236,880 | 252,125 | 266,408 | 289314 | 5.2% | 18.8% |
| Age 6 to 14 | 250,288 | 245,514 | 267,430 | 285,683 | 299,124 | 314,314 | 341571 | 5.3% | 22.2% |
| Age 15 to 20 | 117,711 | 110,662 | 118,352 | 129,946 | 136,925 | 147,199 | 159673 | 5.2% | 10.4% |
| Age 21 to 44 | 243,112 | 221,983 | 228,186 | 270,725 | 277,341 | 293,903 | 319076 | 4.6% | 20.7% |
| Age 45 to 64 | 102,889 | 99,715 | 104,642 | 114,993 | 119,980 | 128,123 | 139114 | 5.2% | 9.0% |
| Age 65 to 74 | 62,261 | 57,459 | 57,360 | 57,678 | 56,831 | 56,724 | 62435 | 0.0% | 4.1% |
| Age 75 to 84 | 59,626 | 56,972 | 56,921 | 56,928 | 56,420 | 56,497 | 62127 | 0.7% | 4.0% |
| Age 85 and Over | 39,227 | 38,263 | 38,607 | 38,256 | 37,686 | 37,351 | 41112 | 0.8% | 2.7% |
| Age Unknown | 0 | 52,519 | 62,051 | 57,370 | 62,940 | 61,206 | 66061 | 4.7% | 4.3% |
| Total | 1,167,988 | 1,141,774 | 1,208,789 | 1,304,684 | 1,355,269 | 1,416,912 | 1,541,450 | 4.7% | 100.0% |
| By Race | | | | | | | | | |
| White | 511,841 | 500,305 | 524,091 | 566,701 | 559,001 | 585,888 | 639,141 | 3.8% | 41.5% |
| Black | 515,303 | 503,875 | 512,921 | 555,283 | 535,453 | 554,219 | 606,311 | 2.7% | 39.3% |
| Hispanic, American Indian or Asian | 74,368 | 72,603 | 96,741 | 102,653 | 121,401 | 135,771 | 145,667 | 11.9% | 9.4% |
| Other/ Unknown | 66,476 | 64,991 | 75,036 | 80,047 | 139,414 | 141,034 | 150,331 | 14.6% | 9.8% |
| Total* | 1,167,988 | 1,141,774 | 1,208,789 | 1,304,684 | 1,355,269 | 1,416,912 | 1,541,450 | 4.7% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 724,022 | 707,776 | 742,656 | 802,419 | 784,674 | 819,060 | 894,166 | 3.6% | 58.0% |
| Male | 443,966 | 433,998 | 466,133 | 502,265 | 507,655 | 536,646 | 584,043 | 4.7% | 37.9% |
| Unknown | 0 | 0 | 0 | 0 | 62,940 | 61,206 | 63,241 | 0.2% | 4.1% |
| Total* | 1,167,988 | 1,141,774 | 1,208,789 | 1,304,684 | 1,355,269 | 1,416,912 | 1,541,450 | 4.7% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$2,080,692,247 | \$1,871,641,338 | \$2,244,906,096 | \$2,634,937,237 | \$2,910,072,876 | \$3,053,331,189 | \$3,348,656,238 | 8.3% | 46.9% |
| Poverty Related Eligibles | \$1,266,350,628 | \$1,609,587,357 | \$1,891,048,198 | \$2,108,749,875 | \$2,307,843,040 | \$2,478,109,992 | \$2,710,881,446 | 13.5% | 37.9% |
| Medically Needy | \$558,638,298 | \$503,873,071 | \$514,208,302 | \$559,588,746 | \$571,185,365 | \$587,375,322 | \$653,142,079 | 2.6% | 9.1% |
| Other Eligibles | \$108,315,569 | \$239,945,999 | \$130,973,395 | \$149,420,399 | \$204,032,350 | \$352,877,327 | \$376,541,626 | 23.1% | 5.3% |
| Maintenance Assistance Status Unknown | \$0 | \$40,709,707 | \$48,889,841 | \$46,397,244 | \$47,877,377 | \$49,594,230 | \$54,254,343 | 5.9% | 0.8% |
| Total | \$4,013,996,742 | \$4,265,757,472 | \$4,830,025,832 | \$5,499,093,501 | \$6,041,011,008 | \$6,521,288,060 | \$7,143,475,732 | 10.1% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$2,856,357,139 | \$3,182,728,411 | \$3,576,256,170 | \$3,990,542,009 | \$4,286,950,365 | \$4,520,008,536 | \$4,967,376,832 | 9.7% | 69.5% |
| Children | \$716,185,408 | \$565,084,454 | \$644,703,688 | \$776,427,955 | \$901,033,395 | \$1,027,935,373 | \$1,120,379,168 | 7.7% | 15.7% |
| Foster Care Children | \$44,483,297 | \$41,503,406 | \$58,801,078 | \$73,268,460 | \$108,552,046 | \$129,170,248 | \$138,267,749 | 20.8% | 1.9% |
| Adults | \$396,970,898 | \$435,731,494 | \$501,375,055 | \$612,457,833 | \$696,597,825 | \$794,579,673 | \$863,197,641 | 13.8% | 12.1% |
| Basis of Eligibility Unknown | \$0 | \$40,709,707 | \$48,889,841 | \$46,397,244 | \$47,877,377 | \$49,594,230 | \$54,254,342 | 5.9% | 0.8% |
| Total | \$4,013,996,742 | \$4,265,757,472 | \$4,830,025,832 | \$5,499,093,501 | \$6,041,011,008 | \$6,521,288,060 | \$7,143,475,732 | 10.1% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$219,104,317 | \$140,946,228 | \$161,827,329 | \$186,302,745 | \$191,909,717 | \$186,219,896 | \$207,903,034 | -0.9% | 2.9% |
| Age 1 to 5 | \$233,057,550 | \$289,916,632 | \$326,561,490 | \$374,957,314 | \$416,280,330 | \$446,847,033 | \$488,516,676 | 13.1% | 6.8% |
| Age 6 to 14 | \$335,643,471 | \$315,060,999 | \$371,270,929 | \$442,629,242 | \$549,422,329 | \$642,574,945 | \$695,601,662 | 12.9% | 9.7% |
| Age 15 to 20 | \$294,081,459 | \$273,046,838 | \$304,992,329 | \$358,249,283 | \$441,702,272 | \$510,431,271 | \$553,994,815 | 11.1% | 7.8% |
| Age 21 to 44 | \$991,888,410 | \$1,019,264,723 | \$1,144,766,859 | \$1,331,187,638 | \$1,456,635,431 | \$1,597,385,111 | \$1,747,908,707 | 9.9% | 24.5% |
| Age 45 to 64 | \$730,963,532 | \$821,533,998 | \$967,542,750 | \$1,132,065,452 | \$1,251,111,978 | \$1,393,473,577 | \$1,519,157,771 | 13.0% | 21.3% |
| Age 65 to 74 | \$312,081,536 | \$346,520,785 | \$399,863,260 | \$447,605,859 | \$466,910,038 | \$476,667,166 | \$525,563,023 | 9.1% | 7.4% |
| Age 75 to 84 | \$462,921,843 | \$511,520,714 | \$560,271,570 | \$608,891,506 | \$632,838,669 | \$642,541,798 | \$710,785,974 | 7.4% | 10.0% |
| Age 85 and Over | \$434,254,624 | \$508,283,380 | \$544,039,475 | \$570,807,218 | \$586,322,867 | \$575,553,033 | \$639,810,617 | 6.7% | 9.0% |
| Age Unknown | \$0 | \$39,663,175 | \$48,889,841 | \$46,397,244 | \$47,877,377 | \$49,594,230 | \$54,233,453 | 6.5% | 0.8% |
| Total | \$4,013,996,742 | \$4,265,757,472 | \$4,830,025,832 | \$5,499,093,501 | \$6,041,011,008 | \$6,521,288,060 | \$7,143,475,732 | 10.1% | 100.0% |
| By Race | | | | | | | | | |
| White | \$2,108,139,775 | \$2,240,804,099 | \$2,517,211,181 | \$2,872,794,367 | \$3,092,307,120 | \$3,319,995,751 | \$3,642,380,481 | 9.5% | 51.0% |
| Black | \$1,388,709,316 | \$1,474,766,663 | \$1,612,812,705 | \$1,844,496,923 | \$2,021,847,257 | \$2,179,035,851 | \$2,389,052,094 | 9.5% | 33.4% |
| Hispanic, American Indian or Asian | \$128,663,746 | \$137,054,944 | \$180,606,045 | \$201,689,222 | \$255,176,490 | \$295,881,817 | \$319,815,725 | 16.4% | 4.5% |
| Other/Unknown | \$388,483,905 | \$413,131,766 | \$519,395,901 | \$580,112,989 | \$671,680,141 | \$726,374,641 | \$792,227,432 | 12.6% | 11.1% |
| Total* | \$4,013,996,742 | \$4,265,757,472 | \$4,830,025,832 | \$5,499,093,501 | \$6,041,011,008 | \$6,521,288,060 | \$7,143,475,732 | 10.1% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$2,476,014,621 | \$2,633,111,190 | \$3,015,091,032 | \$3,434,076,966 | \$3,677,332,123 | \$3,945,941,015 | \$4,328,811,901 | 9.8% | 60.6% |
| Male | \$1,537,982,121 | \$1,632,646,282 | \$1,814,934,800 | \$2,065,016,535 | \$2,315,801,508 | \$2,525,752,815 | \$2,763,124,033 | 10.3% | 38.7% |
| Unknown | \$0 | \$0 | \$0 | \$0 | \$47,877,377 | \$49,594,230 | \$1,539,798 | 3.8% | 0.7% |
| Total* | \$4,013,996,742 | \$4,265,757,472 | \$4,830,025,832 | \$5,499,093,501 | \$6,041,011,008 | \$6,521,288,060 | \$7,143,475,732 | 10.1% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,501.26 | \$5,015.99 | \$4,828.46 | \$4,665.98 | \$5,038.96 | \$5,599.33 | \$5,614.24 | 8.2% | -8.9% |
| Poverty Related Eligibles | \$3,251.57 | \$3,028.66 | \$3,232.30 | \$3,576.47 | \$3,754.67 | \$3,817.49 | \$3,849.43 | 2.9% | 114.0% |
| Medically Needy | \$4,577.99 | \$13,090.67 | \$15,075.00 | \$15,469.36 | \$15,980.79 | \$16,084.98 | \$15,743.67 | 22.9% | 148.7% |
| Other Eligibles | \$1,740.46 | \$1,654.31 | \$2,090.59 | \$2,630.22 | \$3,167.61 | \$2,828.93 | \$2,826.93 | 8.4% | -60.6% |
| Maintenance Assistance Status Unknown | \$0.00 | \$758.76 | \$787.90 | \$808.74 | \$760.68 | \$810.28 | \$821.05 | 1.6% | -66.8% |
| Total | \$3,436.68 | \$3,736.08 | \$3,995.76 | \$4,214.89 | \$4,457.43 | \$4,602.47 | \$4,634.26 | 5.1% | 13.4% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$8,002.57 | \$9,110.35 | \$10,080.12 | \$10,982.91 | \$11,649.45 | \$12,009.45 | \$12,058.76 | 7.1% | 10.2% |
| Children | \$1,175.64 | \$1,052.24 | \$1,100.39 | \$1,225.10 | \$1,346.04 | \$1,454.59 | \$1,458.76 | 3.7% | 1.7% |
| Foster Care Children | \$3,653.36 | \$3,131.62 | \$4,181.86 | \$4,954.92 | \$7,052.04 | \$8,051.50 | \$7,924.56 | 13.8% | 17.1% |
| Adults | \$2,092.71 | \$2,311.78 | \$2,611.22 | \$2,601.55 | \$2,908.00 | \$3,096.45 | \$3,105.54 | 6.8% | 18.2% |
| Basis of Eligibility Unknown | \$0.00 | \$758.76 | \$787.90 | \$808.74 | \$760.68 | \$810.28 | \$821.04 | 1.6% | -67.0% |
| Total | \$3,436.68 | \$3,736.08 | \$3,995.76 | \$4,214.89 | \$4,457.43 | \$4,602.47 | \$4,634.26 | 5.1% | 13.4% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,746.18 | \$2,762.30 | \$2,974.71 | \$3,313.52 | \$3,433.27 | \$3,374.34 | \$3,410.09 | 3.7% | -2.8% |
| Age 1 to 5 | \$1,093.71 | \$1,396.10 | \$1,478.73 | \$1,582.90 | \$1,651.09 | \$1,677.30 | \$1,688.53 | 7.5% | -3.5% |
| Age 6 to 14 | \$1,341.03 | \$1,283.27 | \$1,388.29 | \$1,549.37 | \$1,836.77 | \$2,044.37 | \$2,036.48 | 7.2% | 23.4% |
| Age 15 to 20 | \$2,498.33 | \$2,467.39 | \$2,576.99 | \$2,756.91 | \$3,225.87 | \$3,467.63 | \$3,469.56 | 5.6% | 34.2% |
| Age 21 to 44 | \$4,079.96 | \$4,591.63 | \$5,016.81 | \$4,917.12 | \$5,252.15 | \$5,435.08 | \$5,478.03 | 5.0% | 10.7% |
| Age 45 to 64 | \$7,104.39 | \$8,238.82 | \$9,246.22 | \$9,844.65 | \$10,427.67 | \$10,876.06 | \$10,920.24 | 7.4% | 15.4% |
| Age 65 to 74 | \$5,012.47 | \$6,030.75 | \$6,971.12 | \$7,760.43 | \$8,215.76 | \$8,403.27 | \$8,417.76 | 9.0% | 9.9% |
| Age 75 to 84 | \$7,763.76 | \$8,978.46 | \$9,842.97 | \$10,695.82 | \$11,216.57 | \$11,373.03 | \$11,440.85 | 6.7% | 3.3% |
| Age 85 and Over | \$11,070.30 | \$13,283.94 | \$14,091.73 | \$14,920.72 | \$15,558.11 | \$15,409.31 | \$15,562.62 | 5.8% | -7.0% |
| Age Unknown | \$0.00 | \$755.22 | \$787.90 | \$808.74 | \$760.68 | \$810.28 | \$820.96 | 1.7% | -69.5% |
| Total | \$3,436.68 | \$3,736.08 | \$3,995.76 | \$4,214.89 | \$4,457.43 | \$4,602.47 | \$4,634.26 | 5.1% | 13.4% |
| By Race | | | | | | | | | |
| White | \$4,118.74 | \$4,478.88 | \$4,803.00 | \$5,069.33 | \$5,531.85 | \$5,666.60 | \$5,698.87 | 5.6% | 12.5% |
| Black | \$2,694.94 | \$2,926.85 | \$3,144.37 | \$3,321.72 | \$3,775.96 | \$3,931.72 | \$3,940.31 | 6.5% | 16.4% |
| Hispanic, American Indian or Asian | \$1,730.10 | \$1,887.73 | \$1,866.90 | \$1,964.77 | \$2,101.93 | \$2,179.27 | \$2,195.53 | 4.1% | -17.0% |
| Other/ Unknown | \$5,843.97 | \$6,356.75 | \$6,921.96 | \$7,247.15 | \$4,817.88 | \$5,150.35 | \$5,269.89 | -1.7% | 18.4% |
| Total | \$3,436.68 | \$3,736.08 | \$3,995.76 | \$4,214.89 | \$4,457.43 | \$4,602.47 | \$4,634.26 | 5.1% | 13.4% |
| By Sex | | | | | | | | | |
| Female | \$3,419.81 | \$3,720.26 | \$4,059.88 | \$4,279.66 | \$4,686.45 | \$4,817.65 | \$4,841.17 | 6.0% | 14.8% |
| Male | \$3,464.19 | \$3,761.88 | \$3,893.60 | \$4,111.41 | \$4,561.76 | \$4,706.55 | \$4,731.03 | 5.3% | 16.3% |
| Unknown | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$760.68 | \$810.28 | \$814.97 | 3.5% | -69.3% |
| Total | \$3,436.68 | \$3,736.08 | \$3,995.76 | \$4,214.89 | \$4,457.43 | \$4,602.47 | \$4,634.26 | 5.1% | 13.4% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

North Carolina has two Freedom of Choice Waivers, under Title XIX, Section 1915 (b), of the Social Security Act. They include:

- Carolina ACCESS I is a primary care case management program for Medicaid children under the age of 18, operating since 1991 and is operating in 100 counties as of December 31, 1998.
- Carolina ACCESS II, an expansion of ACCESS I, requires doctors, hospitals, community clinics and other providers to create networks similar to HMOs to serve the medical needs of low-income individuals. The expanded program is currently operating at seven different sites statewide.
- Carolina ACCESS III, a comprehensive full-risk program, is currently in the implementation phase. Two Carolina ACCESS I sites are receiving an additional \$2.50 per member per month to develop the program. As of June 2005, there were 791,240 recipients enrolled in the Access Program.

North Carolina has one Freedom of Choice Waiver, under Title XIX, Section 1115.

- Family Planning: Expected to serve approximately 25,000 uninsured men and women with incomes at or below 185% of the FPL, operating since November 2004.

In addition, a number of Home and Community Based Service Waivers, Section 1915 (c), enable the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Elderly and Disabled: Serves 10,100 people, operating since July 1, 1982.
- Mental Retardation/Developmental Disabilities: Approved to serve 6,527 recipients, operating since July 1, 1983.
- AIDS: Serves 68 people, operating since October 1, 1995.
- Blind and Disabled Children under age 19 (includes individuals with AIDS): Serves up to 200 people, operating since July 1, 1983.
- Implemented a mandatory HMO enrollment in one county (Macklenburg) in June 1996 via a Section 1915 (b) waiver.
- Family Planning Waiver: The waiver will provide family planning services for uninsured men and women over the age of 18 with income at or below 185% of the FPL who are not otherwise eligible for any other Medicaid program. Approved by CMS in November 2004, will serve approximately 25,000 individuals over a five year period.
- Piedmont Cardinal Health Plan: Serves approximately 87,000 individuals in 5 counties. Approved by CMS in October 2004.
- Pharmacy Waiver: New program to serve eligible recipients over 65 up to 200% of the FPL, pending CMS approval.

On July 1, 1994 extended managed care coverage to all children, under age 19, with family income below the poverty level.

Managed Care

- Any Willing Provider Clause: For pharmacies only. HMO's with pharmacies located on-site are exempt. Independent pharmacies are reimbursed at the same rate as contract providers as long as they meet the requirements and standards for participation. Medicaid HMO members are exempt as pharmacy is out of the plan contract under the Medicaid contract.

Coverage for Targeted Population

- The Uninsured: North Carolina does not have an indigent care program.
- In December 2001, initiated the Prescription Drug Assistance Program for senior citizens with incomes below 200% of the FPL. The plan covers medications used to treat cardiovascular disease, diabetes, and chronic obstructive pulmonary disease up to \$1,000 annually.

SOUTHERN REGION MEDICAID PROFILE

Cost Containment Measures

- Certificate of Need Program since 1979. Regulates introduction or expansion of new institutional health care facilities and services. Amended in 1993.
- Rate setting. Prospective payment/per diem methodology used for Medicaid.

Medicaid

- 23 optional services are offered.
- In 1999, the state expanded Medicaid eligibility from 12 to 24 months for Work First Families; also expanded Medicaid eligibility for the blind, disabled, and elderly up to 100% of the FPL.
- Counties pay 15% of the non-federal share of all program costs, and 100% of the non-federal share of administrative costs.
- In 2000, enacted legislation that directs Medicaid to apply for a demonstration waiver to provide Medicaid coverage for family planning services to men and women of childbearing age with family incomes up to 185% of the FPL.
- In 2001, enacted legislation to control Medicaid costs as follows:
Directs the Division of Medical Assistance to develop a plan that will reduce the rate of growth in payments for medical services without reducing the rate of growth in the number of eligibles (must reduce growth rate by 8% or less of expenditures for FY 02);
Consider modifying or restructuring existing methods of reimbursement and contracting for services; and
Develop and implement a pharmacy management plan that will control growth in payments for prescription drugs.
- In 2002, enacted legislation and policy changes in Medicaid costs as follows:
 1. Adopted the SSI method for considering equity value in income-producing property for the aged, blind, and disabled population.
 2. Reduced the monthly hour limit for personal care services.
 3. Modified the policy for determining eligibility for minors who are pregnant by counting parental income.
 4. Eliminated optional circumcision procedures, except in cases of medical necessity.
 5. Reduced expenditures for the Medicaid program to reflect anticipated savings from the expansion of Carolina ACCESS II/III activities.
 6. Limited Medicare crossover claims payments to 95% of the Medicare rate.
 7. Reduced case management services for adults and children by reducing reimbursement rates, streamlining services, and eliminating duplicative services.
- In 2003, enacted legislation and policy changes in Medicaid as follows:
 1. Eliminated the 12 months of state transitional Medicaid coverage for families and children who are working and no longer receiving welfare benefits.
 2. Required Medicaid recipients that qualify for Medicare to enroll in Medicare in order to pay for medical expenditures that qualify for payment under Part B.
 3. Authorized the department to implement a Medicaid assessment program for licensed skilled nursing facilities.
- In 2004, enacted legislation and policy changes in Medicaid as follows:
 1. Clarified payment policies for hearing aids and optical supplies.
 2. Authorized direct enrollment of private mental health providers to offer basic mental health services for adults and children receiving Medicaid services.
 3. Expanded Medicaid coverage for prosthetics and orthotics to adults over 21.
 4. Authorized the department to include all types of providers in the development of new medical policies.
 5. Authorized the department to implement a Medicaid assessment program for state and private ICF/MR facilities.
 6. Required the department to establish and implement pilot programs to test new approaches to the management of access and utilization of health care services for Medicaid recipients.
 7. Directed the department to develop a pilot program to implement the Program for All-Inclusive Care for the Elderly (PACE), including one pilot in the southeastern area of the state and one pilot in the western area of the state.

SOUTHERN REGION MEDICAID PROFILE

Children's Health Insurance Program: State Designed

- SCHIP in North Carolina, NC Health Choice, is administered by the Division of Medicaid Assistance through a state-designed program. The plan received HCFA approval on July 14, 1998. The program provides health care coverage through a state employees equivalent plan, plus Medicaid equivalent benefits to an estimated 118,355 new enrollees as of August 2004.
- For families with incomes up to 150% of the FPL, there are no cost sharing obligations.
- Families with incomes between 150% and 200% of the FPL are required to pay co-payments as follows:

\$6 per prescription

\$5 per physician visit, clinic visit, dental visit, and optometry visit, except for preventive services

\$5 per outpatient hospital visit

\$20 per unnecessary emergency room use

- For families with incomes above 150% of the FPL, there will be an annual enrollment fee of \$50 per child with a maximum of \$100 for 2 or more children.

Tobacco Settlement

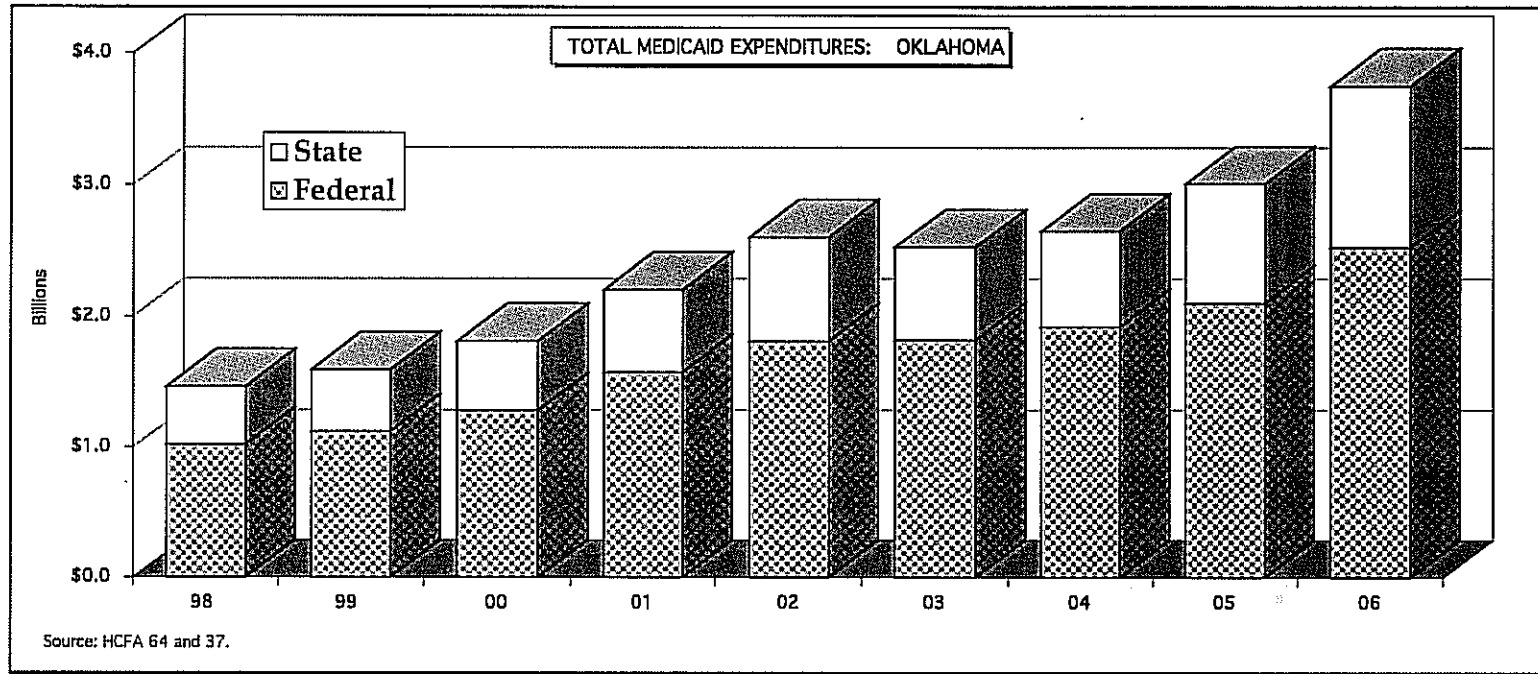
- The state expects to receive approximately \$4.7 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$847.3 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | NC | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$12,400,000 | 1.5% | \$1,813,423,000 | 4.6% |
| Health services | \$11,665,000 | 1.4% | \$11,824,057,000 | 29.9% |
| Long-term care | \$53,200,000 | 6.3% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$115,743,000 | 13.7% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$333,615,000 | 39.4% | \$7,636,209,000 | 19.3% |
| Other | \$320,643,000 | 37.8% | \$10,048,868,000 | 25.4% |
| Total | \$847,266,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$1,340,387,625 | \$1,478,639,476 | \$1,676,208,109 | \$2,051,767,584 | \$2,390,398,000 | \$2,359,551,899 | \$2,500,517,344 | \$2,813,925,000 | \$3,481,698,000 | 12.7% | 159.8% |
| Federal Share | \$948,581,466 | \$1,054,504,815 | \$1,205,653,562 | \$1,490,757,710 | \$1,686,751,000 | \$1,719,023,427 | \$1,836,665,573 | \$1,984,413,000 | \$2,364,420,000 | 12.1% | 149.3% |
| State Share | \$391,806,159 | \$424,134,661 | \$470,554,547 | \$561,009,874 | \$703,647,000 | \$640,528,472 | \$663,851,771 | \$829,512,000 | \$1,117,278,000 | 14.0% | 185.2% |
| Administrative Costs | \$123,772,726 | \$115,058,891 | \$135,202,870 | \$149,559,238 | \$213,485,000 | \$168,986,258 | \$149,002,294 | \$195,960,000 | \$268,230,000 | 10.2% | 116.7% |
| Federal Share | \$70,438,186 | \$65,627,255 | \$76,552,626 | \$83,920,691 | \$124,884,000 | \$101,860,914 | \$84,757,491 | \$115,617,000 | \$158,396,000 | 10.7% | 124.9% |
| State Share | \$53,334,540 | \$49,431,636 | \$58,650,244 | \$65,638,547 | \$88,601,000 | \$67,125,344 | \$64,244,803 | \$80,343,000 | \$109,834,000 | 9.5% | 105.9% |
| Admin. Costs as % of Payments | 9.23% | 7.78% | 8.07% | 7.29% | 8.93% | 7.16% | 5.96% | 6.96% | 7.70% | | |
| Federal Match Rate* | 70.51% | 70.84% | 71.09% | 71.24% | 70.43% | 70.56% | 70.24% | 70.18% | 67.91% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|---------------|---------------|----------------|--------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$391,806,159 | \$607,518,749 | \$53,334,540 | \$64,244,803 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$56,333,022 | \$0 | \$0 |
| Donations | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$391,806,159 | \$663,851,771 | \$53,334,540 | \$64,244,803 |

Provider Taxes Currently in Place (FFY 04)

| | Tax Rate | Amount |
|---------------|-------------------------------------|--------------|
| MR facilities | 6 % of third quarter gross revenues | \$56,333,022 |
| Total | | \$56,333,022 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| General Hospitals | \$19,529,207 | \$19,312,860 | \$19,436,724 | \$21,761,671 | \$20,850,790 | \$19,781,599 | \$23,289,046 | \$28,256,000 | \$25,483,000 | 4.6% |
| Mental Hospitals | \$3,193,191 | \$3,271,460 | \$2,928,955 | \$1,320,022 | \$3,273,248 | \$3,234,274 | \$3,273,247 | \$3,133,000 | \$3,531,000 | 3.2% |
| Total | \$22,722,398 | \$22,584,320 | \$22,365,679 | \$23,081,693 | \$24,124,038 | \$23,015,873 | \$26,562,293 | \$31,389,000 | \$29,014,000 | 4.4% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | \$645 | 49.4% |
| Payment Standard | \$292 | 22.4% |
| Maximum Payment | \$292 | 22.4% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | \$2,105 | |
| Resource Standard | None | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and infants | | 185.0% |
| Children to 6 | | 185.0% |
| Children 6 to 17 | | 185.0% |
| SSI Eligibility Levels | | |
| Income: | 209.b | 1902(f) |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

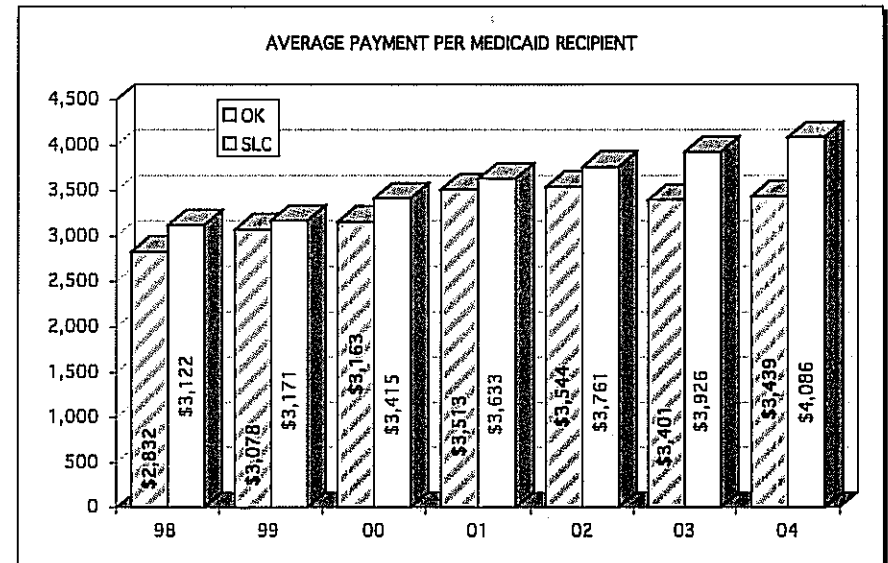
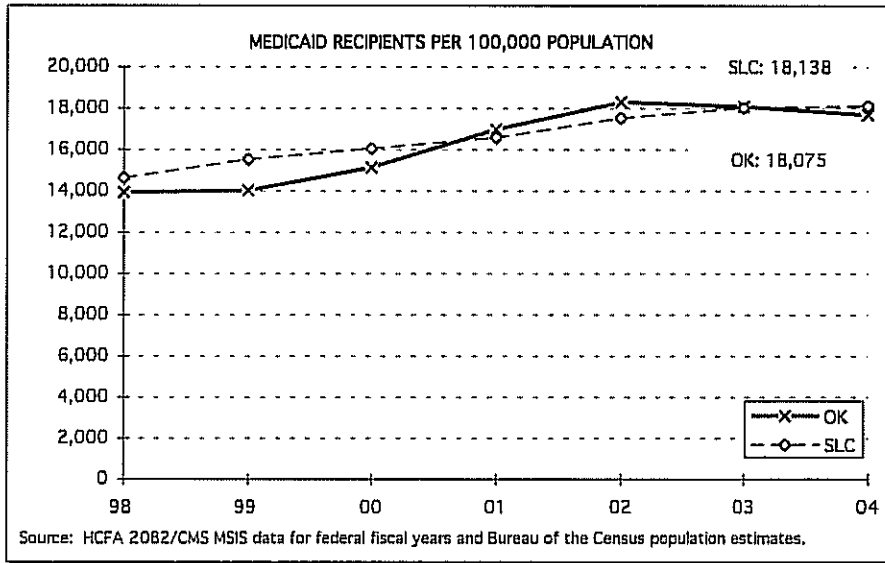
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 3,523,553 | 28 |
| Per capita personal income** | \$28,089 | 39 |
| Median household income** | \$36,733 | 44 |
| Population below Federal Poverty Level on July 1, 2003* | 493,297 | |
| Percent of total state population | 14.0% | 11 |
| Population without health insurance coverage* | 701,000 | 20 |
| Percent of total state population | 19.9% | 4 |
| Recipients of Food Stamps*** | 411,009 | 22 |
| Households receiving Food Stamps*** | 165,158 | 23 |
| Total value of issuance*** | \$398,611,350 | 22 |
| Average monthly benefit per recipient | \$80.82 | 39 |
| Average monthly benefit per household | \$201.13 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 33,474 | 33 |
| Total TANF payments**** | \$36,433,313 | 44 |
| Average monthly payment per recipient | \$90.70 | 7 |
| Maximum monthly payment per family of 3 | \$292.00 | 36 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|
| 01. General Hospital | 64,326 | 60,905 | 64,044 | 62,926 | 70,793 | 70,078 | 69,833 | 1.4% |
| 02. Mental Hospital | 2,284 | 2,428 | 2,196 | 2,490 | 2,923 | 2,922 | 2,913 | 4.1% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 27,820 | 25,758 | 25,513 | 24,225 | 25,051 | 22,261 | 22,167 | -3.7% |
| 04. Intermediate Care for Mentally Retarded | 2,180 | 2,058 | 2,012 | 2,060 | 2,001 | 1,955 | 1,947 | -1.9% |
| 05. Physician Services | 208,725 | 210,411 | 208,843 | 219,411 | 246,394 | 262,243 | 261,398 | 3.8% |
| 06. Dental Services | 28,909 | 34,939 | 35,787 | 48,793 | 60,995 | 62,419 | 62,250 | 13.6% |
| 07. Other Practitioners | 58,502 | 45,086 | 47,332 | 55,435 | 61,247 | 40,010 | 39,818 | -6.2% |
| 08. Outpatient Hospital | 144,240 | 146,370 | 156,495 | 168,272 | 182,325 | 173,208 | 172,603 | 3.0% |
| 09. Clinic Services | 17,085 | 64,337 | 62,875 | 57,301 | 64,931 | 65,769 | 65,562 | 25.1% |
| 10. Lab and X-Ray | 97,913 | 77,215 | 89,726 | 96,150 | 113,076 | 131,167 | 130,790 | 4.9% |
| 11. Home Health | 15,395 | 3,203 | 3,644 | 3,505 | 3,622 | 3,153 | 3,133 | -23.3% |
| 12. Prescribed Drugs | 217,322 | 224,742 | 221,984 | 249,678 | 276,111 | 302,424 | 302,424 | 5.7% |
| 13. Family Planning | 15,354 | 1,904 | 1,765 | 1,611 | 2,006 | 3,118 | 3,102 | -23.4% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 20,297 | 0 | 0 | 0 | 0 | 0 | -13 | #NUM! |
| 15. Other Care | 192,576 | 69,212 | 92,813 | 95,412 | 90,606 | 85,772 | 85,382 | -12.7% |
| 16. Personal Care Support Services | 0 | 37,931 | 40,139 | 46,431 | 49,395 | 48,339 | 48,201 | 4.9% |
| 17. Home/Community Based Waiver Services | 7,454 | 0 | 0 | 0 | 0 | 0 | -5 | #NUM! |
| 18. Prepaid Health Care | 78,830 | 313,785 | 382,307 | 459,869 | 496,991 | 498,188 | 496,799 | 35.9% |
| 19. Primary Care Case Management (PCCM) Services | 59,914 | 0 | 0 | 782 | 4,169 | 6,070 | 6,026 | -31.8% |
| Total* | 459,570 | 465,844 | 507,059 | 570,671 | 631,498 | 625,875 | 623,844 | 5.2% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual</u> <u>Change</u> | <u>Share of Total</u> <u>FFY 04</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------|--|
| 01. General Hospital | \$168,923,561 | \$174,786,789 | \$208,673,999 | \$272,307,383 | \$292,904,161 | \$207,768,168 | \$209,888,362 | 3.7% | 9.8% |
| 02. Mental Hospital | \$38,703,623 | \$41,736,983 | \$37,161,249 | \$43,464,247 | \$51,280,588 | \$51,866,923 | \$52,305,200 | 5.1% | 2.4% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$314,113,798 | \$323,793,016 | \$316,262,282 | \$433,811,452 | \$458,915,799 | \$435,978,619 | \$439,739,922 | 5.8% | 20.5% |
| 04. Intermediate Care for Mentally Retarded | \$112,345,595 | \$95,054,376 | \$101,349,288 | \$114,009,480 | \$108,733,187 | \$106,834,378 | \$107,905,221 | -0.7% | 5.0% |
| 05. Physician Services | \$55,270,240 | \$58,978,604 | \$60,091,554 | \$69,161,019 | \$71,229,424 | \$81,993,187 | \$82,639,501 | 6.9% | 3.9% |
| 06. Dental Services | \$5,370,560 | \$6,897,050 | \$7,658,904 | \$16,866,030 | \$23,796,070 | \$25,735,942 | \$25,874,532 | 30.0% | 1.2% |
| 07. Other Practitioners | \$12,165,663 | \$7,199,427 | \$7,305,175 | \$8,923,906 | \$9,919,808 | \$6,250,338 | \$6,343,722 | -10.3% | 0.3% |
| 08. Outpatient Hospital | \$47,943,420 | \$57,087,453 | \$44,411,364 | \$43,850,083 | \$52,006,954 | \$45,898,864 | \$46,384,924 | -0.5% | 2.2% |
| 09. Clinic Services | \$8,810,431 | \$7,551,274 | \$68,254,685 | \$71,825,065 | \$71,203,972 | \$69,639,639 | \$70,147,321 | 41.3% | 3.3% |
| 10. Lab and X-Ray | \$4,705,888 | \$4,540,933 | \$5,996,892 | \$6,602,277 | \$8,044,406 | \$9,084,231 | \$9,146,378 | 11.7% | 0.4% |
| 11. Home Health | \$51,042,300 | \$1,111,619 | \$945,979 | \$995,598 | \$1,274,660 | \$4,457,923 | \$4,639,207 | -32.9% | 0.2% |
| 12. Prescribed Drugs | \$135,622,036 | \$167,704,485 | \$178,254,361 | \$215,717,760 | \$267,549,002 | \$290,182,401 | \$292,181,850 | 13.6% | 13.6% |
| 13. Family Planning | \$2,370,400 | \$511,202 | \$453,829 | \$449,536 | \$604,638 | \$2,055,398 | \$2,069,188 | -2.2% | 0.1% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$1,715,088 | \$0 | \$0 | \$0 | \$0 | \$5,657 | \$5,657 | -61.4% | 0.0% |
| 15. Other Care | \$109,565,323 | \$222,051,875 | \$280,761,045 | \$297,766,356 | \$354,764,301 | \$325,585,852 | \$327,926,516 | 20.0% | 15.3% |
| 16. Personal Care Support Services | \$0 | \$69,002,202 | \$65,582,518 | \$111,519,473 | \$84,011,095 | \$80,989,391 | \$81,559,215 | 3.4% | 3.8% |
| 17. Home/Community Based Waiver Services | \$109,186,013 | \$0 | \$0 | \$0 | \$0 | \$0 | \$360,132 | -61.4% | 0.0% |
| 18. Prepaid Health Care | \$114,519,798 | \$0 | \$220,625,874 | \$297,527,058 | \$381,927,861 | \$384,131,235 | \$386,262,993 | 22.5% | 18.0% |
| 19. Primary Case Management (PCCM) Services | \$9,105,898 | \$125,719,800 | \$0 | \$2,488 | \$47,161 | \$71,966 | \$309,534 | -43.1% | 0.0% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$1,301,479,635 | \$1,433,727,088 | \$1,603,788,998 | \$2,004,799,211 | \$2,238,213,087 | \$2,128,524,455 | \$2,145,689,375 | 8.7% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLC | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|---------------|----------------|----------|
| | | | | | | | | Aug. FFY 04 | |
| 01. General Hospital | \$2,626.05 | \$2,869.83 | \$3,258.29 | \$4,327.42 | \$4,137.47 | \$2,964.81 | \$3,005.58 | 2.3% | -38.4% |
| 02. Mental Hospital | \$16,945.54 | \$17,189.86 | \$16,922.24 | \$17,455.52 | \$17,543.82 | \$17,750.49 | \$17,955.78 | 1.0% | 2.2% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$11,290.93 | \$12,570.58 | \$12,396.12 | \$17,907.59 | \$18,319.26 | \$19,584.86 | \$19,837.59 | 9.8% | -9.1% |
| 04. Intermediate Care for Mentally Retarded | \$51,534.68 | \$46,187.74 | \$50,372.41 | \$55,344.41 | \$54,339.42 | \$54,646.74 | \$55,421.27 | 1.2% | -33.3% |
| 05. Physician Services | \$264.80 | \$280.30 | \$287.74 | \$315.21 | \$289.09 | \$312.66 | \$316.14 | 3.0% | -40.5% |
| 06. Dental Services | \$185.77 | \$197.40 | \$214.01 | \$345.66 | \$390.13 | \$412.31 | \$415.66 | 14.4% | 25.3% |
| 07. Other Practitioners | \$207.95 | \$159.68 | \$154.34 | \$160.98 | \$161.96 | \$156.22 | \$159.32 | -4.3% | -9.8% |
| 08. Outpatient Hospital | \$332.39 | \$390.02 | \$283.79 | \$260.59 | \$285.24 | \$264.99 | \$268.74 | -3.5% | -54.7% |
| 09. Clinic Services | \$515.68 | \$1,205.39 | \$1,085.56 | \$1,253.47 | \$1,096.61 | \$1,058.85 | \$1,069.94 | 12.9% | 46.0% |
| 10. Lab and X-Ray | \$48.06 | \$58.81 | \$66.84 | \$68.67 | \$71.14 | \$69.26 | \$69.93 | 6.4% | -61.8% |
| 11. Home Health | \$3,315.51 | \$347.06 | \$259.60 | \$284.05 | \$351.92 | \$1,413.87 | \$1,480.76 | -12.6% | -29.1% |
| 12. Prescribed Drugs | \$624.06 | \$746.21 | \$803.01 | \$863.98 | \$968.99 | \$959.52 | \$966.13 | 7.6% | -28.2% |
| 13. Family Planning | \$154.38 | \$268.49 | \$257.13 | \$279.04 | \$301.41 | \$659.20 | \$667.05 | 27.6% | -6.2% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$84.50 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$435.15) | #NUM! | -201.8% |
| 15. Other Care | \$568.95 | \$3,208.29 | \$3,025.02 | \$3,120.85 | \$3,915.46 | \$3,795.95 | \$3,840.70 | 37.5% | 91.5% |
| 16. Personal Care Support Services | \$0.00 | \$1,819.15 | \$1,633.89 | \$2,401.83 | \$1,700.80 | \$1,675.45 | \$1,692.06 | -1.4% | 25.6% |
| 17. Home/Community Based Waiver Services | \$14,647.98 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$72,026.40) | #NUM! | -2427.9% |
| 18. Prepaid Health Care | \$1,452.74 | \$0.00 | \$577.09 | \$646.98 | \$768.48 | \$771.06 | \$777.50 | -9.9% | -34.5% |
| 19. Primary Case Management (PCCM) Services | \$151.98 | \$0.00 | \$0.00 | \$3.18 | \$11.31 | \$11.86 | \$11.86 | -16.5% | 66.8% |
| Total (Average) | \$2,831.95 | \$3,077.70 | \$3,162.92 | \$3,513.06 | \$3,544.29 | \$3,400.88 | \$3,439.46 | 3.3% | -15.8% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------|
| TOTAL PER CAPITA EXPENDITURES | \$444.32 | \$479.80 | \$541.25 | \$655.54 | \$754.61 | \$730.77 | \$751.95 | 9.2% | -14.2% |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|----------------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 197,595 | 118,062 | 97,934 | 99,000 | 99,355 | 173,503 | 173,014 | -2.2% | 27.7% |
| Poverty Related Eligibles | 154,364 | 246,246 | 301,904 | 380,628 | 416,140 | 383,334 | 382,161 | 16.3% | 61.3% |
| Medically Needy | 12,978 | 4,401 | 4,040 | 3,759 | 3,650 | 1,416 | 1,397 | -31.0% | 0.2% |
| Other Eligibles | 94,633 | 79,356 | 86,712 | 87,284 | 91,791 | 52,869 | 52,562 | -9.3% | 8.4% |
| Maintenance Assistance Status Unknown (Managed Care) | 0 | 17,779 | 16,469 | 0 | 20,562 | 14,753 | 14,710 | -3.7% | 2.4% |
| Total* | 459,570 | 465,844 | 507,059 | 570,671 | 631,498 | 625,875 | 623,844 | 5.2% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 123,719 | 114,564 | 119,494 | 122,772 | 128,518 | 128,050 | 127,591 | 0.5% | 20.5% |
| Children | 203,277 | 253,257 | 289,189 | 364,435 | 394,462 | 385,763 | 384,585 | 11.2% | 61.6% |
| Foster Care Children | 37,042 | 6,968 | 6,806 | 6,178 | 5,653 | 14,757 | 14,709 | -14.3% | 2.4% |
| Adults | 89,368 | 73,276 | 75,101 | 77,286 | 82,303 | 82,552 | 82,253 | -1.4% | 13.2% |
| Basis of Eligibility Unknown | 6,164 | 17,779 | 16,469 | 0 | 20,562 | 14,753 | 14,706 | 15.6% | 2.4% |
| Total* | 459,570 | 465,844 | 507,059 | 570,671 | 631,498 | 625,875 | 623,844 | 5.2% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 38,814 | 21,867 | 22,773 | 24,717 | 25,398 | 26,686 | 26,586 | -6.1% | 4.3% |
| Age 1 to 5 | 85,156 | 96,221 | 110,891 | 132,078 | 140,892 | 138,316 | 137,878 | 8.4% | 22.1% |
| Age 6 to 14 | 107,013 | 115,068 | 127,136 | 164,653 | 178,028 | 175,917 | 175,376 | 8.6% | 28.1% |
| Age 15 to 20 | 43,302 | 47,201 | 55,998 | 69,343 | 76,266 | 79,108 | 78,877 | 10.5% | 12.6% |
| Age 21 to 44 | 90,134 | 82,393 | 85,660 | 88,918 | 95,647 | 97,055 | 96,719 | 1.2% | 15.5% |
| Age 45 to 64 | 34,260 | 31,425 | 33,912 | 36,341 | 39,589 | 40,725 | 40,590 | 2.9% | 6.5% |
| Age 65 to 74 | 23,018 | 18,853 | 19,305 | 19,834 | 20,581 | 20,137 | 20,061 | -2.3% | 3.2% |
| Age 75 to 84 | 20,240 | 18,418 | 18,688 | 19,253 | 19,565 | 18,939 | 18,867 | -1.2% | 3.0% |
| Age 85 and Over | 16,015 | 16,619 | 16,227 | 15,534 | 14,970 | 14,239 | 14,180 | -2.0% | 2.3% |
| Age Unknown | 1,618 | 17,779 | 16,469 | 0 | 20,562 | 14,753 | 14,710 | 44.5% | 2.4% |
| Total* | 459,570 | 465,844 | 507,059 | 570,671 | 631,498 | 625,875 | 623,844 | 5.2% | 100.0% |
| By Race | | | | | | | | | |
| White | 300,791 | 305,058 | 343,373 | 386,903 | 380,290 | 377,880 | 376,575 | 3.8% | 60.4% |
| Black | 83,570 | 84,471 | 64,799 | 73,975 | 101,928 | 99,135 | 98,819 | 2.8% | 15.8% |
| Hispanic, American Indian or Asian | 75,209 | 76,315 | 98,887 | 109,793 | 128,718 | 134,107 | 133,719 | 10.1% | 21.4% |
| Other/Unknown | 0 | 0 | 0 | 0 | 20,562 | 14,753 | 14,731 | -15.4% | 2.4% |
| Total* | 459,570 | 465,844 | 507,059 | 570,671 | 631,498 | 625,875 | 623,844 | 5.2% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 281,884 | 285,753 | 307,591 | 346,813 | 357,320 | 356,474 | 355,268 | 3.9% | 56.9% |
| Male | 177,686 | 180,091 | 199,468 | 223,858 | 253,616 | 254,648 | 253,845 | 6.1% | 40.7% |
| Unknown | 0 | 0 | 0 | 0 | 20,562 | 14,753 | 14,731 | -15.4% | 2.4% |
| Total* | 459,570 | 465,844 | 507,059 | 570,671 | 631,498 | 625,875 | 623,844 | 5.2% | 100.0% |

*FFY 02 projected using FFY 96-FFY 01 trends, State Annual report, and state submitted data (SEE "Important Note" prior to table of contents).

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$408,446,264 | \$274,311,813 | \$273,475,909 | \$316,881,105 | \$359,938,334 | \$518,729,637 | \$522,178,129 | 4.2% | 24.3% |
| Poverty Related Eligibles | \$647,895,453 | \$262,978,316 | \$333,221,659 | \$449,544,506 | \$522,307,393 | \$578,464,201 | \$582,942,582 | -1.7% | 27.2% |
| Medically Needy | \$20,851,529 | \$11,038,078 | \$11,314,192 | \$13,357,842 | \$13,403,897 | \$4,551,559 | \$4,670,982 | -22.1% | 0.2% |
| Other Eligibles | \$100,660,691 | \$814,638,364 | \$866,655,581 | \$1,096,472,478 | \$1,186,500,816 | \$1,012,176,075 | \$1,020,312,746 | 47.1% | 47.6% |
| Maintenance Assistance Status Unknown (Managed Care) | \$123,625,698 | \$70,760,517 | \$119,121,657 | \$128,543,280 | \$156,062,647 | \$14,602,983 | \$15,584,936 | -29.2% | 0.7% |
| Total* | \$1,301,479,635 | \$1,433,727,088 | \$1,603,788,998 | \$2,004,799,211 | \$2,238,213,087 | \$2,128,524,455 | \$2,145,689,375 | 8.7% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$900,845,050 | \$972,546,284 | \$1,035,973,908 | \$1,298,507,176 | \$1,432,112,932 | \$1,405,180,579 | \$1,416,471,306 | 7.8% | 66.0% |
| Children | \$188,563,374 | \$262,083,583 | \$314,732,384 | \$428,996,281 | \$490,452,162 | \$457,248,295 | \$460,681,230 | 16.1% | 21.5% |
| Foster Care Children | \$44,980,549 | \$40,003,285 | \$39,044,084 | \$41,567,584 | \$39,680,364 | \$104,259,040 | \$104,755,107 | 15.1% | 4.9% |
| Adults | \$41,639,350 | \$88,333,419 | \$94,916,965 | \$107,184,890 | \$119,904,982 | \$147,233,558 | \$148,193,869 | 23.6% | 6.9% |
| Basis of Eligibility Unknown (Includes Managed Care) | \$125,451,312 | \$70,760,517 | \$119,121,657 | \$128,543,280 | \$156,062,647 | \$14,602,983 | \$15,587,863 | -29.4% | 0.7% |
| Total* | \$1,301,479,635 | \$1,433,727,088 | \$1,603,788,998 | \$2,004,799,211 | \$2,238,213,087 | \$2,128,524,455 | \$2,145,689,375 | 8.7% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$50,163,677 | \$52,088,292 | \$56,765,263 | \$70,529,990 | \$74,831,975 | \$77,984,374 | \$78,581,131 | 7.8% | 3.7% |
| Age 1 to 5 | \$72,837,675 | \$93,038,885 | \$111,628,898 | \$145,884,103 | \$165,773,271 | \$170,357,660 | \$171,542,831 | 15.3% | 8.0% |
| Age 6 to 14 | \$115,951,421 | \$143,079,901 | \$163,335,113 | \$214,752,884 | \$247,969,473 | \$254,546,983 | \$256,357,360 | 14.1% | 11.9% |
| Age 15 to 20 | \$98,791,074 | \$107,771,079 | \$118,093,917 | \$148,198,797 | \$167,566,698 | \$184,094,715 | \$185,384,049 | 11.1% | 8.6% |
| Age 21 to 44 | \$335,698,867 | \$325,530,331 | \$347,427,330 | \$409,062,694 | \$446,740,003 | \$463,745,828 | \$467,412,952 | 5.7% | 21.8% |
| Age 45 to 64 | \$184,322,199 | \$208,384,143 | \$240,330,648 | \$315,718,000 | \$374,394,443 | \$380,950,532 | \$383,681,558 | 13.0% | 17.9% |
| Age 65 to 74 | \$94,789,404 | \$103,103,781 | \$111,938,369 | \$141,244,830 | \$151,906,257 | \$151,801,777 | \$153,011,410 | 8.3% | 7.1% |
| Age 75 to 84 | \$137,780,875 | \$144,461,036 | \$152,047,129 | \$199,539,879 | \$214,619,166 | \$206,915,894 | \$208,607,242 | 7.2% | 9.7% |
| Age 85 and Over | \$169,495,487 | \$185,509,123 | \$183,100,674 | \$231,324,754 | \$238,349,154 | \$223,523,709 | \$225,497,020 | 4.9% | 10.5% |
| Age Unknown | \$41,648,956 | \$70,760,517 | \$119,121,657 | \$128,543,280 | \$156,062,647 | \$14,602,983 | \$15,613,822 | -15.1% | 0.7% |
| Total* | \$1,301,479,635 | \$1,433,727,088 | \$1,603,788,998 | \$2,004,799,211 | \$2,238,213,087 | \$2,128,524,455 | \$2,145,689,375 | 8.7% | 100.0% |
| By Race | | | | | | | | | |
| White | \$914,770,638 | \$1,013,011,937 | \$1,205,736,481 | \$1,503,629,549 | \$1,542,862,580 | \$1,543,953,811 | \$1,556,332,396 | 9.3% | 72.5% |
| Black | \$129,301,888 | \$143,322,159 | \$164,565,963 | \$207,075,917 | \$269,458,059 | \$277,957,110 | \$279,866,923 | 13.7% | 13.0% |
| Hispanic, American Indian or Asian | \$116,101,387 | \$130,727,783 | \$175,765,896 | \$216,398,764 | \$269,829,801 | \$292,010,551 | \$293,935,032 | 16.7% | 13.7% |
| Other/ Unknown | \$141,305,722 | \$146,665,209 | \$57,720,658 | \$77,694,981 | \$156,062,647 | \$14,602,983 | \$15,555,024 | -30.8% | 0.7% |
| Total* | \$1,301,479,635 | \$1,433,727,088 | \$1,603,788,998 | \$2,004,799,211 | \$2,238,213,087 | \$2,128,524,455 | \$2,145,689,375 | 8.7% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$691,028,833 | \$766,415,829 | \$914,878,802 | \$1,184,857,799 | \$1,223,367,618 | \$1,251,380,217 | \$1,261,047,110 | 10.5% | 58.8% |
| Male | \$468,864,411 | \$520,622,034 | \$631,751,859 | \$787,124,143 | \$858,782,822 | \$862,541,255 | \$869,159,575 | 10.8% | 40.5% |
| Unknown | \$141,586,391 | \$146,689,225 | \$57,158,337 | \$32,817,269 | \$156,062,647 | \$14,602,983 | \$15,482,690 | -30.8% | 0.7% |
| Total* | \$1,301,479,635 | \$1,433,727,088 | \$1,603,788,998 | \$2,004,799,211 | \$2,238,213,087 | \$2,128,524,455 | \$2,145,689,375 | 8.7% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$2,067.09 | \$2,323.46 | \$2,792.45 | \$3,200.82 | \$3,622.75 | \$2,989.74 | \$3,018.13 | 6.5% | -51.0% |
| Poverty Related Eligibles | \$4,197.19 | \$1,067.95 | \$1,103.73 | \$1,181.06 | \$1,255.12 | \$1,509.03 | \$1,525.38 | -15.5% | -15.2% |
| Medically Needy | \$1,606.68 | \$2,508.08 | \$2,800.54 | \$3,553.56 | \$3,672.30 | \$3,214.38 | \$3,343.58 | 13.0% | -47.2% |
| Other Eligibles | \$1,063.70 | \$10,265.62 | \$9,994.64 | \$12,562.12 | \$12,926.11 | \$19,144.98 | \$19,411.60 | 62.3% | 170.9% |
| Maintenance Assistance Status Unknown | \$0.00 | \$3,980.01 | \$7,233.08 | \$0.00 | \$7,589.86 | \$989.83 | \$1,059.48 | -23.3% | -57.2% |
| Total | \$2,831.95 | \$3,077.70 | \$3,162.92 | \$3,513.06 | \$3,544.29 | \$3,400.88 | \$3,439.46 | 3.3% | -15.8% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$7,281.38 | \$8,489.11 | \$8,669.67 | \$10,576.57 | \$11,143.29 | \$10,973.69 | \$11,101.66 | 7.3% | 1.4% |
| Children | \$927.62 | \$1,034.85 | \$1,088.33 | \$1,177.15 | \$1,243.34 | \$1,185.31 | \$1,197.87 | 4.4% | -16.5% |
| Foster Care Children | \$1,214.31 | \$5,741.00 | \$5,736.72 | \$6,728.32 | \$7,019.35 | \$7,065.06 | \$7,121.84 | 34.3% | 5.2% |
| Adults | \$465.93 | \$1,205.49 | \$1,263.86 | \$1,386.86 | \$1,456.87 | \$1,783.53 | \$1,801.68 | 25.3% | -31.4% |
| Basis of Eligibility Unknown (Includes Managed Care) | \$20,352.26 | \$3,980.01 | \$7,233.08 | \$0.00 | \$7,589.86 | \$989.83 | \$1,059.97 | -38.9% | -57.3% |
| Total | \$2,831.95 | \$3,077.70 | \$3,162.92 | \$3,513.06 | \$3,544.29 | \$3,400.88 | \$3,439.46 | 3.3% | -15.8% |
| By Age | | | | | | | | | |
| Under Age 1 | \$1,292.41 | \$2,382.05 | \$2,492.66 | \$2,853.50 | \$2,946.37 | \$2,922.30 | \$2,955.73 | 14.8% | -15.7% |
| Age 1 to 5 | \$855.34 | \$966.93 | \$1,006.65 | \$1,104.53 | \$1,176.60 | \$1,231.66 | \$1,244.16 | 6.4% | -28.9% |
| Age 6 to 14 | \$1,083.53 | \$1,243.44 | \$1,284.73 | \$1,304.28 | \$1,392.87 | \$1,446.97 | \$1,461.76 | 5.1% | -11.4% |
| Age 15 to 20 | \$2,281.44 | \$2,283.24 | \$2,108.90 | \$2,137.18 | \$2,197.14 | \$2,327.13 | \$2,350.29 | 0.5% | -9.1% |
| Age 21 to 44 | \$3,724.44 | \$3,950.95 | \$4,055.89 | \$4,600.45 | \$4,670.72 | \$4,778.18 | \$4,832.69 | 4.4% | -2.3% |
| Age 45 to 64 | \$5,380.10 | \$6,631.16 | \$7,086.89 | \$8,687.65 | \$9,457.03 | \$9,354.22 | \$9,452.61 | 9.8% | -0.1% |
| Age 65 to 74 | \$4,118.06 | \$5,468.83 | \$5,798.41 | \$7,121.35 | \$7,380.90 | \$7,538.45 | \$7,627.31 | 10.8% | -0.4% |
| Age 75 to 84 | \$6,807.36 | \$7,843.47 | \$8,136.08 | \$10,364.09 | \$10,969.55 | \$10,925.39 | \$11,056.73 | 8.4% | -0.1% |
| Age 85 and Over | \$10,583.55 | \$11,162.47 | \$11,283.70 | \$14,891.51 | \$15,921.79 | \$15,697.99 | \$15,902.47 | 7.0% | -4.9% |
| Age Unknown | \$25,741.01 | \$3,980.01 | \$7,233.08 | \$0.00 | \$7,589.86 | \$989.83 | \$1,061.44 | -41.2% | -60.6% |
| Total | \$2,831.95 | \$3,077.70 | \$3,162.92 | \$3,513.06 | \$3,544.29 | \$3,400.88 | \$3,439.46 | 3.3% | -15.8% |
| By Race | | | | | | | | | |
| White | \$3,041.22 | \$3,320.72 | \$3,511.45 | \$3,886.32 | \$4,057.07 | \$4,085.83 | \$4,132.86 | 5.2% | -18.4% |
| Black | \$1,547.23 | \$1,696.70 | \$2,539.64 | \$2,799.27 | \$2,643.61 | \$2,803.82 | \$2,832.12 | 10.6% | -16.3% |
| Hispanic, American Indian or Asian | \$1,543.72 | \$1,713.00 | \$1,777.44 | \$1,970.97 | \$2,096.29 | \$2,177.44 | \$2,198.15 | 6.1% | -16.9% |
| Other/ Unknown | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$7,589.86 | \$989.83 | \$1,055.94 | -62.7% | -76.3% |
| Total | \$2,831.95 | \$3,077.70 | \$3,162.92 | \$3,513.06 | \$3,544.29 | \$3,400.88 | \$3,439.46 | 3.3% | -15.8% |
| By Sex | | | | | | | | | |
| Female | \$2,451.47 | \$2,682.09 | \$2,974.34 | \$3,416.42 | \$3,423.73 | \$3,510.44 | \$3,549.57 | 6.4% | -15.9% |
| Male | \$2,638.72 | \$2,890.88 | \$3,167.18 | \$3,516.18 | \$3,386.15 | \$3,387.19 | \$3,423.98 | 4.4% | -15.8% |
| Unknown | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$7,589.86 | \$989.83 | \$1,051.03 | -62.8% | -60.4% |
| Total | \$2,831.95 | \$3,077.70 | \$3,162.92 | \$3,513.06 | \$3,544.29 | \$3,400.88 | \$3,439.46 | 3.3% | -15.8% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Oklahoma had two waivers from the Centers for Medicare and Medicaid Services (CMS) to operate a health reform demonstration under Section 1115. SoonerCare Plus, a pre-paid capitated plan, served 183,503 adults and children in FY 02; and SoonerCare Choice, a primary care case management system, served 155,316 adults and children in FY 02. Starting January 2004, SoonerCare Choice became the sole model for the state. As of December 31, 2004 there were 360,076 (297,386 children and 62,690 adults) beneficiaries enrolled in the program.

Several Home and Community Based Service Waivers, under Section 1915 (c), enable the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Advantage Waiver: Serves 14,100 "frail elderly" that are 65 or older with physical disabilities, operating since July 1, 1993.
- Community Waiver: Serves 3,180 people with mental retardation and certain related conditions, operating since July 1, 1988.
- The In-home Supports Waiver for Children: Implemented in July of 1999 to provide waiver services for additional MR clients, serves approximately 370 children.
- The In-home Supports Waiver for Adults: Implemented in July of 1999 to provide waiver services for additional MR clients, serves approximately 750 adults.

Managed Care

- Any Willing Provider Clause: No

Coverage for Targeted Population

- The state has a Medically Needy Program to provide assistance to approximately 14,000 low-income individuals who do not meet the eligibility requirements for Medicaid.

Cost Containment Measures

- Certificate of Need Program since 1968. Regulates introduction or expansion of new institutional health care facilities and services.

Medicaid

- 18 optional services are offered.
- Dropped payment for Organized Outpatient Hospital Clinic services, effective FY 1999.
- Added Lab and X-Ray payments to services for adults, effective FY 1999.
- Added payment for Diabetic Supplies for adults, effective FY 1999.

Significant Changes in Medicaid

- Enacted legislation in 2000, known as the Oklahoma Healthcare Initiative, that increased Medicaid reimbursement to private providers as follows:
 1. 18% increase to physicians, home health care, laboratory and clinic services, ambulatory clinic, chiropractors, optometrists, psychologists, speech pathologists, and occupational therapists;
 2. 10% increase for behavioral health counseling services;
 3. 60% increase for dental services; and
 4. 40% increase for ambulance services.

SOUTHERN REGION MEDICAID PROFILE

Significant Changes in Medicaid (Continued)

- Increased Medicaid coverage to include children in families with incomes up to 150% of the FPL, effective June 2000 and covers approximately 530,000 individuals.
- Enacted legislation in 2001 to extend Medicaid coverage to individuals that could be eligible as a result of the federal Ticket to Work and Medicaid Buy-in legislation. The programs will provide services to individuals with disabilities that are required to enable them to gain or keep employment.
- Enacted other legislation in 2001 as follows:
 1. Offer elective income deferral programs to physicians that maintain Medicaid contracts and provide Medicaid services;
 2. Establish a reimbursement methodology that will enhance payments for services provided to Medicaid recipients in emergency hospitals in the rural areas;
 3. Implement a case mix reimbursement system for all state regulated long-care providers, effective November 2003 and;
 4. Immediately provide coverage under prior authorization for any new FDA approved drug if the drug falls within a drug class that has already placed under prior authorization authority.
- In 2002, enacted legislation and/or policy changes in Medicaid as follows:
 1. Expanded drug classes subject to the product based prior authorization program (PDL).
 2. Changed the reimbursement rate for prescription drugs to the average wholesale price minus 12% (was 10.5%).
 3. Reduced the maximum number of visits authorized for outpatient mental health care.
 4. Reduced the per diem rate for nursing facility leave days by 25%.
 5. Limited Part B Medicare crossover payments to no more than the Medicaid allowable (15% reduction).
 6. Reduced rates for outpatient behavioral health services provided to nursing facility clients by 10%.
- Implemented the Oklahoma Breast and Cervical Cancer Program, effective January 1, 2005, with eligible women receiving full Medicaid benefits for the duration of their cancer treatment. As of May 13, 2005, 1,554 applications had been received by the department.
- In 2004, enacted legislation and/or policy changes in Medicaid as follows:
 1. Increased the prescription limit for all adult Medicaid recipients to 6 per month, with a maximum of 3 brand name prescriptions, effective January 1, 2004.
 2. Increased reimbursement rates to nursing homes (7%), hospitals (5%), doctors, and ambulance providers (from 72% to 90% of the Medicare rate).

Children's Health Insurance Program: Medicaid Expansion

- CHIP in Oklahoma is called "SoonerCare". The program received HCFA approval on May 26, 1998. The program is administered by the Oklahoma Health Care Authority through an expansion of Medicaid. SoonerCare provides health care coverage to approximately 115,000 children/adolescents and eligible pregnant women.
- Phase I provides coverage for eligible pregnant women and children/adolescents birth through age 17 in families with incomes up to 185% of the FPL.
- Phase II provides coverage for eligible children/adolescents birth through age 17 in families with income between 100% and 185% of the FPL. The program received HCFA approval on March 25, 1999 and expects to cover an additional 4,915 new enrollees.
- Amended the State Medicaid plan to cover children in families with incomes between 150% and 185% of the FPL, effective June 2000 and covers approximately 45,567 individuals as of September 30, 2004.

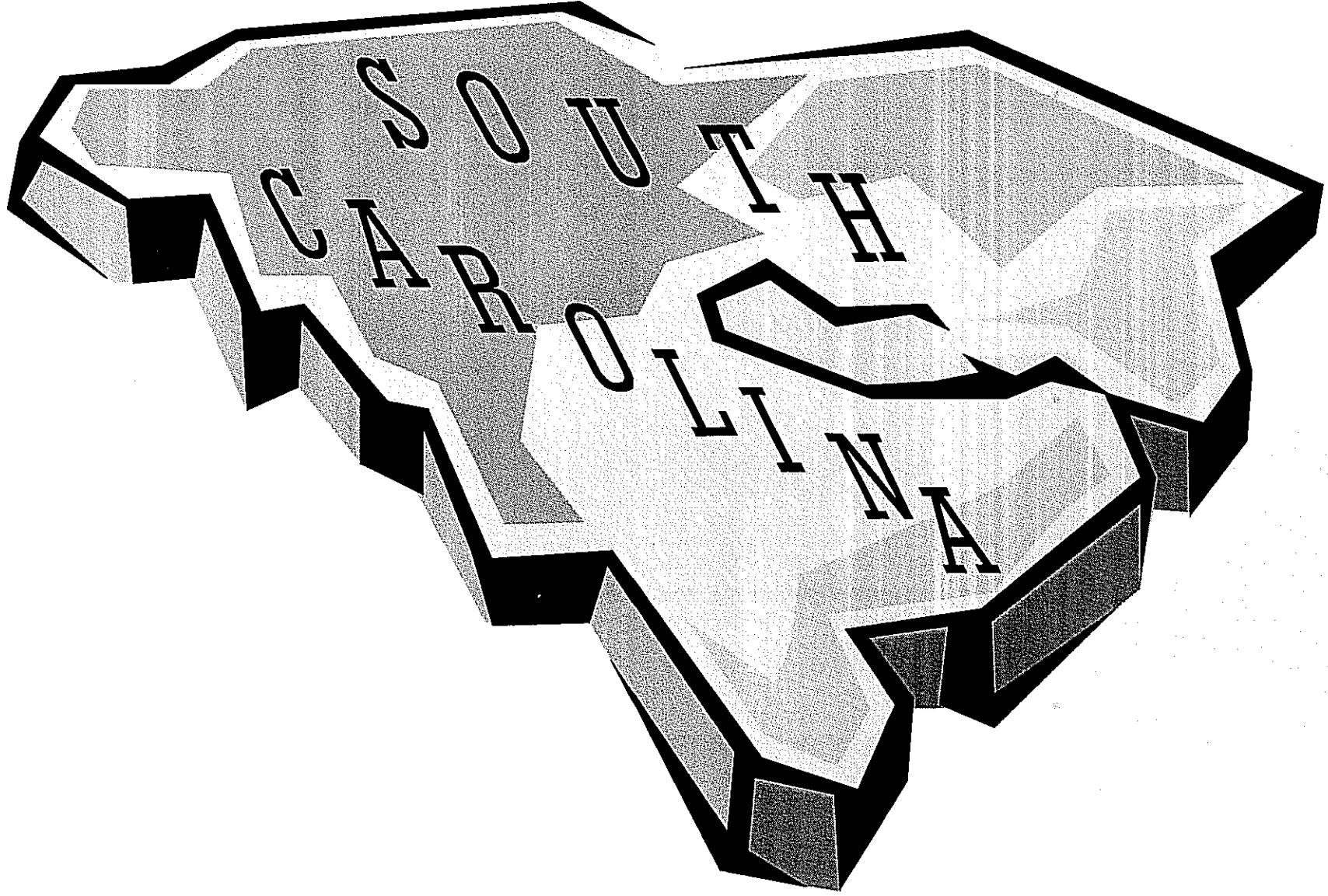
SOUTHERN REGION MEDICAID PROFILE

Tobacco Settlement

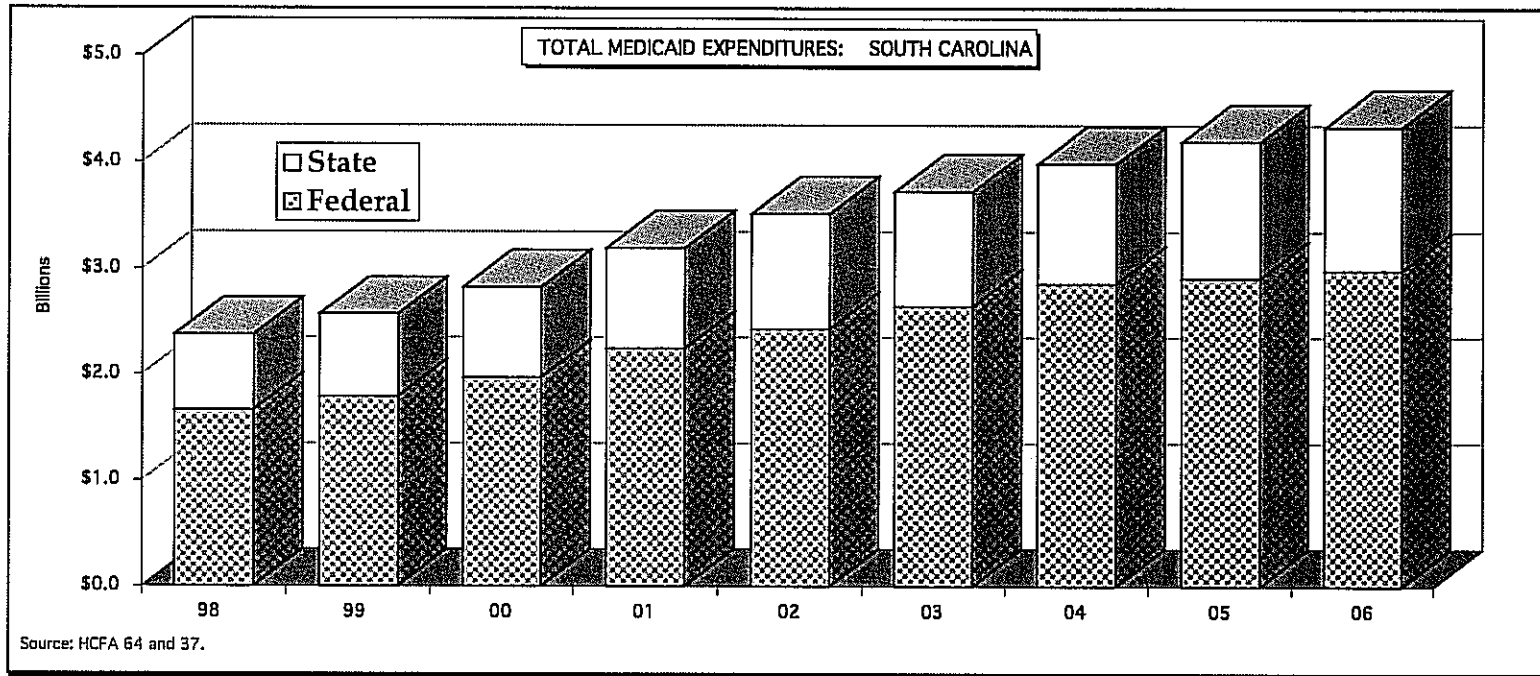
- The state expects to receive approximately \$2.03 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$254.1 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | OK | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$3,725,000 | 1.5% | \$1,813,423,000 | 4.6% |
| Health services | \$137,391,000 | 54.1% | \$11,824,057,000 | 29.9% |
| Long-term care | \$0 | 0.0% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$112,312,000 | 44.2% | \$7,636,209,000 | 19.3% |
| Other | \$700,000 | 0.3% | \$10,048,868,000 | 25.4% |
| Total | \$254,128,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$2,291,868,201 | \$2,474,493,301 | \$2,720,979,699 | \$3,094,578,743 | \$3,384,424,285 | \$3,590,736,666 | \$3,848,423,641 | \$4,001,474,000 | \$4,141,892,000 | 7.7% | 80.7% |
| Federal Share | \$1,618,889,674 | \$1,740,195,472 | \$1,913,722,149 | \$2,186,607,862 | \$2,355,610,887 | \$2,567,499,604 | \$2,773,422,352 | \$2,802,777,000 | \$2,873,208,000 | 7.4% | 77.5% |
| State Share | \$672,978,527 | \$734,297,829 | \$807,257,550 | \$907,970,881 | \$1,028,813,398 | \$1,023,237,062 | \$1,075,001,289 | \$1,198,697,000 | \$1,268,684,000 | 8.2% | 88.5% |
| Administrative Costs | \$87,867,286 | \$96,945,550 | \$103,626,017 | \$100,847,624 | \$133,484,748 | \$136,496,403 | \$141,733,356 | \$193,838,000 | \$193,838,000 | 10.4% | 120.6% |
| Federal Share | \$45,813,555 | \$53,554,056 | \$56,629,109 | \$60,135,239 | \$76,596,265 | \$79,946,155 | \$85,315,889 | \$109,293,000 | \$109,664,000 | 11.5% | 139.4% |
| State Share | \$42,053,731 | \$43,391,494 | \$46,996,908 | \$40,712,385 | \$56,888,483 | \$56,550,248 | \$56,417,467 | \$84,545,000 | \$84,174,000 | 9.1% | 100.2% |
| Admin. Costs as % of Payments | 3.83% | 3.92% | 3.81% | 3.26% | 3.94% | 3.80% | 3.68% | 4.84% | 4.68% | | |
| Federal Match Rate* | 70.23% | 69.85% | 69.95% | 70.44% | 69.34% | 69.81% | 69.86% | 69.89% | 69.32% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|---------------|-----------------|----------------|--------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$672,978,527 | \$1,019,353,194 | \$42,053,731 | \$56,417,467 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$55,648,095 | \$0 | \$0 |
| Donations* | \$0 | \$3,080,168 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$672,978,527 | \$1,075,001,289 | \$42,053,731 | \$56,417,467 |

*Donations from Outstationed Eligibility Workers Program

| Provider Taxes Currently in Place (FFY 04) | | |
|--|--|--------------|
| | Tax Rate | Amount |
| General hospitals | Flat tax on previous year gross revenues | \$49,474,895 |
| ICF/MR | \$8.50 per patient day | \$6,173,200 |
| Total | | \$55,648,095 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Hospitals | \$408,098,253 | \$397,673,493 | \$328,512,395 | \$320,695,867 | \$346,379,176 | \$290,548,478 | \$422,915,188 | \$384,000,000 | \$395,520,000 | 3.1% |
| Mental Hospitals | \$37,580,232 | \$36,113,205 | \$46,833,976 | \$51,251,895 | \$44,693,798 | \$42,543,221 | \$66,459,970 | \$57,378,000 | \$59,100,000 | 4.0% |
| Total | \$445,678,485 | \$433,786,698 | \$375,346,371 | \$371,947,762 | \$391,072,974 | \$333,091,699 | \$489,375,158 | \$441,378,000 | \$454,620,000 | 3.2% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | \$652 | 49.9% |
| Payment Standard | \$240 | 18.4% |
| Maximum Payment | \$240 | 18.4% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | N/A | |
| Resource Standard | | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and infants | | 185.0% |
| Children to age 6 | | 150.0% |
| Children age 6 to 18 | | 150.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$4,000 | |
| Couple | \$6,000 | |

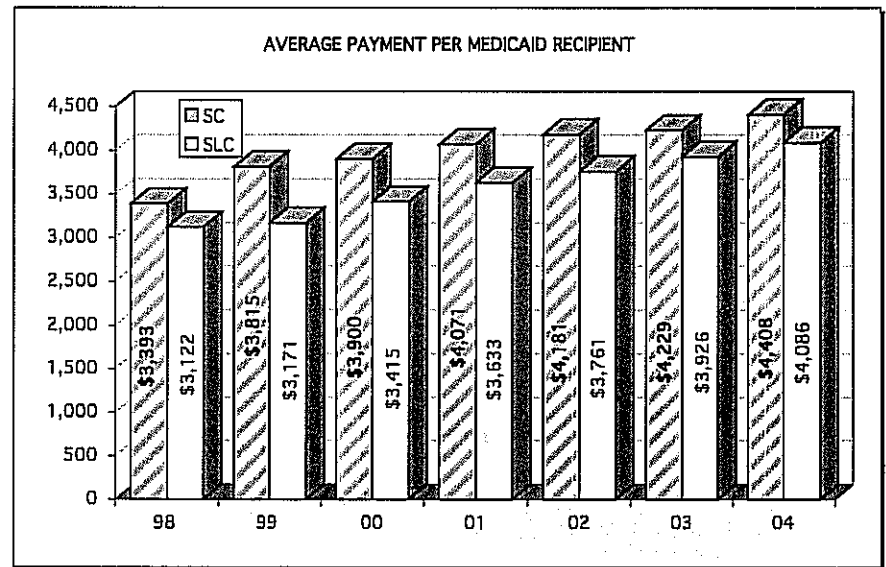
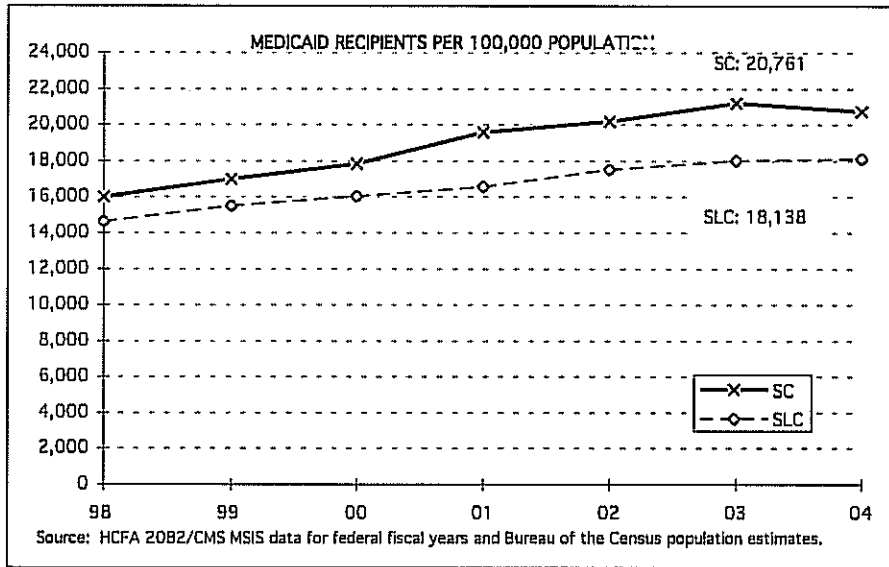
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 4,198,068 | 25 |
| Per capita personal income** | \$27,172 | 43 |
| Median household income** | \$38,791 | 36 |
| Population below Federal Poverty Level on July 1, 2003* | 587,730 | |
| Percent of total state population | 14.0% | 11 |
| Population without health insurance coverage* | 584,000 | 26 |
| Percent of total state population | 13.9% | 28 |
| Recipients of Food Stamps*** | 493,192 | 18 |
| Households receiving Food Stamps*** | 20,507 | 20 |
| Total value of issuance*** | \$270,852,079 | 18 |
| Average monthly benefit per recipient | \$45.77 | 20 |
| Average monthly benefit per household | \$1,100.65 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 42,708 | 26 |
| Total TANF payments**** | \$34,670,628 | 48 |
| Average monthly payment per recipient | \$67.65 | 48 |
| Maximum monthly payment per family of 3 | \$201.00 | 45 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

| RECIPIENTS BY TYPE OF SERVICES | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|
| 01. General Hospital | 137,289 | 137,578 | 148,303 | 159,066 | 126,736 | 119,466 | 121,432 | -2.0% |
| 02. Mental Hospital | 1,531 | 1,970 | 2,023 | 1,841 | 1,420 | 1,207 | 1,231 | -3.6% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 17,352 | 17,458 | 17,663 | 18,859 | 18,251 | 17,617 | 17,871 | 0.5% |
| 04. Intermediate Care for Mentally Retarded | 2,856 | 2,504 | 2,387 | 2,411 | 2,317 | 2,173 | 2,208 | -4.2% |
| 05. Physician Services | 418,331 | 470,740 | 499,921 | 546,422 | 561,552 | 563,619 | 570,881 | 5.3% |
| 06. Dental Services | 130,360 | 139,267 | 162,503 | 202,078 | 231,455 | 251,831 | 254,482 | 11.8% |
| 07. Other Practitioners | 87,212 | 100,472 | 112,500 | 130,242 | 127,041 | 129,977 | 131,608 | 7.1% |
| 08. Outpatient Hospital | 233,585 | 263,419 | 292,783 | 317,038 | 365,265 | 369,932 | 374,302 | 8.2% |
| 09. Clinic Services | 224,554 | 333,007 | 334,661 | 355,385 | 375,240 | 383,630 | 388,391 | 9.6% |
| 10. Lab and X-Ray | 150,252 | 211,494 | 234,429 | 262,805 | 275,988 | 300,789 | 304,195 | 12.5% |
| 11. Home Health | 10,331 | 10,223 | 9,657 | 9,053 | 8,502 | 7,849 | 7,981 | -4.2% |
| 12. Prescribed Drugs | 401,611 | 446,938 | 474,465 | 542,764 | 576,136 | 614,417 | 614,417 | 7.3% |
| 13. Family Planning | 112,341 | 5,774 | 6,243 | 5,971 | 6,393 | 5,882 | 6,220 | -38.3% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 108,591 | 0 | 0 | 0 | 0 | 0 | 258 | -63.5% |
| 15. Other Care | 113,086 | 135,522 | 142,519 | 162,906 | 154,333 | 173,435 | 175,527 | 7.6% |
| 16. Personal Care Support Services | 61,734 | 78,001 | 81,026 | 89,000 | 100,945 | 102,511 | 103,729 | 9.0% |
| 17. Home/Community Based Waiver Services | 14,675 | 0 | 0 | 0 | 0 | 0 | 35 | -63.4% |
| 18. Prepaid Health Care | 17,195 | 25,108 | 43,315 | 60,055 | 85,547 | 100,032 | 100,818 | 34.3% |
| 19. Primary Care Case Management (PCCM) Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| Total* | 594,962 | 644,580 | 685,104 | 760,797 | 809,136 | 861,216 | 871,551 | 6.6% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------------|
| 01. General Hospital | \$522,891,024 | \$751,959,296 | \$725,513,341 | \$827,496,295 | \$885,920,177 | \$908,044,538 | \$961,308,799 | 10.7% | 25.0% |
| 02. Mental Hospital | \$47,960,982 | \$85,913,142 | \$97,722,852 | \$98,066,992 | \$89,266,785 | \$84,332,255 | \$89,798,265 | 11.0% | 2.3% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$302,667,749 | \$309,472,299 | \$334,646,176 | \$355,576,568 | \$373,077,530 | \$401,871,513 | \$426,523,738 | 5.9% | 11.1% |
| 04. Intermediate Care for Mentally Retarded | \$167,959,347 | \$163,499,835 | \$169,196,133 | \$165,568,171 | \$172,179,187 | \$167,321,229 | \$179,428,225 | 1.1% | 4.7% |
| 05. Physician Services | \$150,905,913 | \$174,104,766 | \$190,995,097 | \$231,918,553 | \$235,463,733 | \$287,064,707 | \$301,894,172 | 12.3% | 7.9% |
| 06. Dental Services | \$18,640,048 | \$18,755,973 | \$48,151,420 | \$75,981,863 | \$79,788,905 | \$85,572,962 | \$89,157,255 | 29.8% | 2.3% |
| 07. Other Practitioners | \$6,023,393 | \$7,075,946 | \$8,109,207 | \$9,507,546 | \$10,097,690 | \$10,863,541 | \$11,461,263 | 11.3% | 0.3% |
| 08. Outpatient Hospital | \$52,518,262 | \$60,423,664 | \$77,354,626 | \$80,136,150 | \$133,733,346 | \$150,336,330 | \$156,720,348 | 20.0% | 4.1% |
| 09. Clinic Services | \$138,424,592 | \$255,820,928 | \$287,781,398 | \$348,039,263 | \$488,911,223 | \$491,474,709 | \$513,906,329 | 24.4% | 13.4% |
| 10. Lab and X-Ray | \$12,185,658 | \$14,065,499 | \$16,537,070 | \$19,449,759 | \$22,150,684 | \$25,303,934 | \$26,573,602 | 13.9% | 0.7% |
| 11. Home Health | \$15,473,934 | \$14,652,302 | \$15,196,149 | \$20,129,679 | \$12,760,384 | \$11,764,035 | \$12,851,862 | -3.0% | 0.3% |
| 12. Prescribed Drugs | \$224,962,203 | \$268,317,914 | \$334,740,332 | \$438,498,935 | \$456,976,916 | \$559,908,608 | \$586,107,142 | 17.3% | 15.3% |
| 13. Family Planning | \$34,421,428 | \$7,352,496 | \$8,212,530 | \$7,833,357 | \$8,179,742 | \$5,476,846 | \$6,654,238 | -24.0% | 0.2% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$7,942,631 | \$0 | \$0 | \$0 | \$0 | \$0 | \$191,464 | -46.3% | 0.0% |
| 15. Other Care | \$102,108,042 | \$136,003,473 | \$142,594,379 | \$137,395,749 | \$134,401,907 | \$147,650,495 | \$156,806,704 | 7.4% | 4.1% |
| 16. Personal Care Support Services | \$73,310,778 | \$172,840,441 | \$187,606,225 | \$243,996,181 | \$217,761,516 | \$226,705,935 | \$238,854,375 | 21.8% | 6.2% |
| 17. Home/Community Based Waiver Services | \$123,052,297 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,966,277 | -46.3% | 0.1% |
| 18. Prepaid Health Care | \$17,172,147 | \$18,900,551 | \$27,788,595 | \$37,258,467 | \$62,280,779 | \$78,023,312 | \$80,805,213 | 29.5% | 2.1% |
| 19. Primary Case Management (PCCM) Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$2,018,620,428 | \$2,459,158,525 | \$2,672,145,530 | \$3,096,853,528 | \$3,382,950,504 | \$3,641,714,949 | \$3,842,009,271 | 11.3% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLC | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|-------------|
| | | | | | | | | | Avg. FFY 04 |
| 01. General Hospital | \$3,808.69 | \$5,465.69 | \$4,892.10 | \$5,202.22 | \$6,990.28 | \$7,600.86 | \$7,916.44 | 13.0% | 62.3% |
| 02. Mental Hospital | \$31,326.57 | \$43,610.73 | \$48,305.91 | \$53,268.33 | \$62,863.93 | \$69,869.31 | \$72,947.41 | 15.1% | 101.3% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$17,442.82 | \$17,726.68 | \$18,946.17 | \$18,854.48 | \$20,441.48 | \$22,811.57 | \$23,866.81 | 5.4% | 9.4% |
| 04. Intermediate Care for Mentally Retarded | \$58,809.30 | \$65,295.46 | \$70,882.33 | \$68,671.99 | \$74,311.26 | \$77,000.11 | \$81,262.78 | 5.5% | -2.3% |
| 05. Physician Services | \$360.73 | \$369.85 | \$382.05 | \$424.43 | \$419.31 | \$509.32 | \$528.82 | 6.6% | -0.5% |
| 06. Dental Services | \$142.99 | \$134.68 | \$296.31 | \$376.00 | \$344.73 | \$339.80 | \$350.35 | 16.1% | 5.6% |
| 07. Other Practitioners | \$69.07 | \$70.43 | \$72.08 | \$73.00 | \$79.48 | \$83.58 | \$87.09 | 3.9% | -50.7% |
| 08. Outpatient Hospital | \$224.84 | \$229.38 | \$264.20 | \$252.77 | \$366.13 | \$406.39 | \$418.70 | 10.9% | -29.4% |
| 09. Clinic Services | \$616.44 | \$768.21 | \$859.92 | \$979.33 | \$1,302.93 | \$1,281.12 | \$1,323.17 | 13.6% | 80.6% |
| 10. Lab and X-Ray | \$81.10 | \$66.51 | \$70.54 | \$74.01 | \$80.26 | \$84.13 | \$87.36 | 1.2% | -52.2% |
| 11. Home Health | \$1,497.82 | \$1,433.27 | \$1,573.59 | \$2,223.54 | \$1,500.87 | \$1,498.79 | \$1,610.31 | 1.2% | -22.9% |
| 12. Prescribed Drugs | \$560.15 | \$600.35 | \$705.51 | \$807.90 | \$793.18 | \$911.28 | \$953.92 | 9.3% | -29.1% |
| 13. Family Planning | \$306.40 | \$1,273.38 | \$1,315.48 | \$1,311.90 | \$1,279.48 | \$931.12 | \$1,069.81 | 23.2% | 50.4% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$73.14 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$742.11 | 47.1% | 73.7% |
| 15. Other Care | \$902.92 | \$1,003.55 | \$1,000.53 | \$843.41 | \$870.86 | \$851.33 | \$893.35 | -0.2% | -55.5% |
| 16. Personal Care Support Services | \$1,187.53 | \$2,215.87 | \$2,315.38 | \$2,741.53 | \$2,157.23 | \$2,211.53 | \$2,302.68 | 11.7% | 71.0% |
| 17. Home/Community Based Waiver Services | \$8,385.17 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$84,750.77 | 47.0% | 2639.1% |
| 18. Prepaid Health Care | \$998.67 | \$752.77 | \$641.55 | \$620.41 | \$728.03 | \$779.98 | \$801.50 | -3.6% | -32.5% |
| 19. Primary Case Management (PCCM) Services | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| Total (Average) | \$3,392.86 | \$3,815.13 | \$3,900.35 | \$4,070.54 | \$4,180.94 | \$4,228.57 | \$4,408.24 | 4.5% | 7.9% |

TOTAL PER CAPITA EXPENDITURES

| | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|------|------|
| \$640.29 | \$678.82 | \$736.35 | \$822.35 | \$876.84 | \$917.36 | \$950.47 | 6.8% | 8.5% |
|----------|----------|----------|----------|----------|----------|----------|------|------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|----------------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 190,767 | 173,708 | 188,071 | 245,555 | 265,731 | 267,121 | 270,279 | 6.0% | 31.0% |
| Poverty Related Eligibles | 225,889 | 284,950 | 316,749 | 322,006 | 345,977 | 385,254 | 389,716 | 9.5% | 44.7% |
| Medically Needy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a | 0.0% |
| Other Eligibles | 155,498 | 171,055 | 165,765 | 175,329 | 178,265 | 191,241 | 193,702 | 3.7% | 22.2% |
| Maintenance Assistance Status Unknown | 22,808 | 14,867 | 14,519 | 17,907 | 19,163 | 17,600 | 17,854 | -4.0% | 2.0% |
| Total* | 594,962 | 644,580 | 685,104 | 760,797 | 809,136 | 861,216 | 871,551 | 6.6% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 174,978 | 181,200 | 184,028 | 188,842 | 189,623 | 217,404 | 220,099 | 3.9% | 25.3% |
| Children | 269,751 | 309,070 | 341,545 | 383,146 | 416,054 | 434,612 | 439,723 | 8.5% | 50.5% |
| Foster Care Children | 6,412 | 6,938 | 6,523 | 7,136 | 7,793 | 8,507 | 8,610 | 5.0% | 1.0% |
| Adults | 121,013 | 132,505 | 138,489 | 163,766 | 176,504 | 182,960 | 185,131 | 7.3% | 21.2% |
| Basis of Eligibility Unknown | 22,808 | 14,867 | 14,519 | 17,907 | 19,162 | 17,733 | 17,988 | -3.9% | 2.1% |
| Total* | 594,962 | 644,580 | 685,104 | 760,797 | 809,136 | 861,216 | 871,551 | 6.6% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 27,168 | 27,776 | 29,086 | 30,098 | 29,653 | 28,867 | 29,277 | 1.3% | 3.4% |
| Age 1 to 5 | 100,788 | 107,798 | 116,757 | 129,096 | 140,810 | 146,037 | 147,796 | 6.6% | 17.0% |
| Age 6 to 14 | 130,359 | 151,975 | 165,970 | 187,277 | 202,065 | 211,150 | 213,638 | 8.6% | 24.5% |
| Age 15 to 20 | 64,024 | 76,389 | 84,331 | 93,619 | 101,165 | 108,848 | 110,102 | 9.5% | 12.6% |
| Age 21 to 44 | 131,514 | 140,315 | 145,897 | 167,242 | 178,252 | 183,822 | 186,069 | 6.0% | 21.3% |
| Age 45 to 64 | 46,949 | 50,003 | 53,060 | 58,829 | 62,537 | 65,510 | 66,309 | 5.9% | 7.6% |
| Age 65 to 74 | 29,380 | 29,409 | 29,340 | 30,166 | 29,833 | 38,975 | 39,419 | 5.0% | 4.5% |
| Age 75 to 84 | 27,507 | 28,334 | 28,419 | 28,803 | 28,267 | 39,059 | 39,487 | 6.2% | 4.5% |
| Age 85 and Over | 17,408 | 17,717 | 17,728 | 17,746 | 17,397 | 21,347 | 21,606 | 3.7% | 2.5% |
| Age Unknown | 19,865 | 14,864 | 14,516 | 17,921 | 19,157 | 17,601 | 17,848 | -1.8% | 2.0% |
| Total* | 594,962 | 644,580 | 685,104 | 760,797 | 809,136 | 861,216 | 871,551 | 6.6% | 100.0% |
| By Race | | | | | | | | | |
| White | 220,674 | 243,227 | 262,209 | 290,688 | 314,936 | 336,470 | 340,428 | 7.5% | 39.1% |
| Black | 326,308 | 354,424 | 372,453 | 414,733 | 426,833 | 433,847 | 439,372 | 5.1% | 50.4% |
| Hispanic, American Indian or Asian | 5,667 | 6,536 | 7,849 | 8,559 | 13,721 | 20,085 | 20,233 | 23.6% | 2.3% |
| Other/Unknown | 42,313 | 40,393 | 42,593 | 46,817 | 53,646 | 70,814 | 71,518 | 9.1% | 8.2% |
| Total* | 594,962 | 644,580 | 685,104 | 760,797 | 809,136 | 861,216 | 871,551 | 6.6% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 369,944 | 400,921 | 422,242 | 469,645 | 492,084 | 526,126 | 532,487 | 6.3% | 61.1% |
| Male | 205,046 | 228,684 | 248,225 | 275,420 | 297,730 | 317,359 | 321,090 | 7.4% | 36.8% |
| Unknown | 19,972 | 14,975 | 14,637 | 15,732 | 19,322 | 17,731 | 17,974 | -1.7% | 2.1% |
| Total* | 594,962 | 644,580 | 685,104 | 760,797 | 809,136 | 861,216 | 871,551 | 6.6% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$751,927,407 | \$800,780,183 | \$923,581,109 | \$1,057,516,672 | \$1,160,807,506 | \$1,261,409,930 | \$1,330,481,027 | 10.0% | 34.6% |
| Poverty Related Eligibles | \$448,329,281 | \$494,051,338 | \$596,044,085 | \$654,849,603 | \$706,337,963 | \$842,263,025 | \$885,656,988 | 12.0% | 23.1% |
| Medically Needy | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| Other Eligibles | \$558,650,582 | \$660,860,620 | \$718,108,307 | \$776,823,075 | \$829,400,518 | \$848,514,748 | \$899,452,259 | 8.3% | 23.4% |
| Maintenance Assistance Status Unknown | \$259,713,158 | \$503,466,384 | \$434,412,029 | \$607,664,178 | \$686,404,517 | \$689,527,246 | \$726,418,997 | 18.7% | 18.9% |
| Total | \$2,018,620,428 | \$2,459,158,525 | \$2,672,145,530 | \$3,096,853,528 | \$3,382,950,504 | \$3,641,714,949 | \$3,842,009,271 | 11.3% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,240,263,794 | \$1,379,379,798 | \$1,555,748,570 | \$1,666,366,711 | \$1,738,978,228 | \$1,894,876,081 | \$2,004,763,336 | 8.3% | 52.2% |
| Children | \$305,302,576 | \$348,626,273 | \$423,251,932 | \$510,809,246 | \$574,644,858 | \$627,484,689 | \$659,841,284 | 13.7% | 17.2% |
| Foster Care Children | \$51,231,425 | \$56,630,829 | \$53,323,601 | \$61,705,826 | \$73,399,624 | \$76,391,721 | \$80,713,670 | 7.9% | 2.1% |
| Adults | \$162,109,475 | \$171,055,241 | \$205,409,398 | \$250,307,567 | \$308,733,801 | \$351,583,405 | \$368,389,546 | 14.7% | 9.6% |
| Basis of Eligibility Unknown | \$259,713,158 | \$503,466,384 | \$434,412,029 | \$607,664,178 | \$687,193,993 | \$691,379,053 | \$728,301,435 | 18.8% | 19.0% |
| Total | \$2,018,620,428 | \$2,459,158,525 | \$2,672,145,530 | \$3,096,853,528 | \$3,382,950,504 | \$3,641,714,949 | \$3,842,009,271 | 11.3% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$79,118,760 | \$79,204,351 | \$94,434,546 | \$102,536,801 | \$104,672,077 | \$111,940,821 | \$118,573,144 | 7.0% | 3.1% |
| Age 1 to 5 | \$117,683,342 | \$131,384,923 | \$156,235,953 | \$183,407,248 | \$205,429,387 | \$221,807,674 | \$233,589,476 | 12.1% | 6.1% |
| Age 6 to 14 | \$163,537,315 | \$189,042,393 | \$217,798,359 | \$267,987,946 | \$305,908,581 | \$337,774,810 | \$354,961,913 | 13.8% | 9.2% |
| Age 15 to 20 | \$146,855,007 | \$169,018,036 | \$190,801,369 | \$221,974,123 | \$252,103,734 | \$280,088,263 | \$294,710,040 | 12.3% | 7.7% |
| Age 21 to 44 | \$426,843,487 | \$453,055,007 | \$512,420,215 | \$566,690,322 | \$640,243,181 | \$702,018,014 | \$740,302,346 | 9.6% | 19.3% |
| Age 45 to 64 | \$338,951,033 | \$387,420,138 | \$455,039,643 | \$508,665,152 | \$565,268,993 | \$624,222,208 | \$657,616,114 | 11.7% | 17.1% |
| Age 65 to 74 | \$137,571,468 | \$154,385,164 | \$178,202,298 | \$190,165,279 | \$185,970,687 | \$208,957,325 | \$221,194,926 | 8.2% | 5.8% |
| Age 75 to 84 | \$179,507,553 | \$201,390,113 | \$224,699,561 | \$235,321,451 | \$225,901,970 | \$247,624,993 | \$262,868,421 | 6.6% | 6.8% |
| Age 85 and Over | \$173,537,576 | \$190,845,601 | \$208,059,651 | \$212,410,712 | \$211,040,614 | \$217,752,927 | \$231,827,409 | 4.9% | 6.0% |
| Age Unknown | \$255,014,887 | \$503,412,799 | \$434,453,935 | \$607,694,494 | \$686,411,280 | \$689,527,914 | \$726,365,482 | 19.1% | 18.9% |
| Total | \$2,018,620,428 | \$2,459,158,525 | \$2,672,145,530 | \$3,096,853,528 | \$3,382,950,504 | \$3,641,714,949 | \$3,842,009,271 | 11.3% | 100.0% |
| By Race | | | | | | | | | |
| White | \$823,140,050 | \$979,645,956 | \$1,080,036,909 | \$1,260,968,411 | \$1,264,431,835 | \$1,373,776,503 | \$1,452,426,329 | 9.9% | 37.8% |
| Black | \$819,207,631 | \$913,165,680 | \$1,041,245,496 | \$1,217,091,514 | \$1,220,407,972 | \$1,311,856,557 | \$1,387,502,511 | 9.2% | 36.1% |
| Hispanic, American Indian or Asian | \$6,968,889 | \$8,788,052 | \$11,179,398 | \$12,746,174 | \$21,874,349 | \$39,316,024 | \$40,485,832 | 34.1% | 1.1% |
| Other/ Unknown | \$369,303,858 | \$557,558,837 | \$539,683,727 | \$606,047,429 | \$876,236,348 | \$916,765,865 | \$961,594,599 | 17.3% | 25.0% |
| Total* | \$2,018,620,428 | \$2,459,158,525 | \$2,672,145,530 | \$3,096,853,528 | \$3,382,950,504 | \$3,641,714,949 | \$3,842,009,271 | 11.3% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$1,072,190,466 | \$1,226,029,669 | \$1,395,515,420 | \$1,629,577,454 | \$1,609,416,417 | \$1,763,020,832 | \$1,863,864,135 | 9.7% | 48.5% |
| Male | \$691,382,912 | \$821,601,056 | \$934,681,893 | \$1,087,089,084 | \$1,086,981,830 | \$1,189,034,835 | \$1,256,421,476 | 10.5% | 32.7% |
| Unknown | \$255,047,050 | \$411,527,800 | \$341,948,216 | \$380,186,990 | \$686,552,257 | \$689,659,282 | \$721,723,660 | 18.9% | 18.8% |
| Total* | \$2,018,620,428 | \$2,459,158,525 | \$2,672,145,530 | \$3,096,853,528 | \$3,382,950,504 | \$3,641,714,949 | \$3,842,009,271 | 11.3% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 02 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,941.60 | \$4,609.92 | \$4,910.81 | \$4,306.64 | \$4,368.36 | \$4,722.24 | \$4,922.62 | 3.8% | -20.1% |
| Poverty Related Eligibles | \$1,984.73 | \$1,733.82 | \$1,881.76 | \$2,033.66 | \$2,041.57 | \$2,186.25 | \$2,272.57 | 2.3% | 26.3% |
| Medically Needy | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| Other Eligibles | \$3,592.65 | \$3,863.44 | \$4,332.09 | \$4,430.66 | \$4,652.63 | \$4,436.89 | \$4,643.48 | 4.4% | -35.2% |
| Maintenance Assistance Status Unknown | \$11,386.93 | \$33,864.69 | \$29,920.24 | \$33,934.45 | \$35,819.26 | \$39,177.68 | \$40,686.62 | 23.6% | 1543.2% |
| Total | \$3,392.86 | \$3,815.13 | \$3,900.35 | \$4,070.54 | \$4,180.94 | \$4,228.57 | \$4,408.24 | 4.5% | 7.9% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$7,088.11 | \$7,612.47 | \$8,453.87 | \$8,824.13 | \$9,170.71 | \$8,715.92 | \$9,108.46 | 4.3% | -16.8% |
| Children | \$1,131.79 | \$1,127.98 | \$1,239.23 | \$1,333.20 | \$1,381.18 | \$1,443.78 | \$1,500.58 | 4.8% | 4.6% |
| Foster Care Children | \$7,989.93 | \$8,162.41 | \$8,174.71 | \$8,647.12 | \$9,418.66 | \$8,979.87 | \$9,374.41 | 2.7% | 38.5% |
| Adults | \$1,339.60 | \$1,290.93 | \$1,483.22 | \$1,528.45 | \$1,749.16 | \$1,921.64 | \$1,989.89 | 6.8% | -24.3% |
| Basis of Eligibility Unknown | \$11,386.93 | \$33,864.69 | \$29,920.24 | \$33,934.45 | \$35,862.33 | \$38,988.27 | \$40,488.18 | 23.5% | 1529.6% |
| Total | \$3,392.86 | \$3,815.13 | \$3,900.35 | \$4,070.54 | \$4,180.94 | \$4,228.57 | \$4,408.24 | 4.5% | 7.9% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,912.20 | \$2,851.54 | \$3,246.74 | \$3,406.76 | \$3,529.90 | \$3,877.81 | \$4,050.04 | 5.7% | 15.5% |
| Age 1 to 5 | \$1,167.63 | \$1,218.81 | \$1,338.13 | \$1,420.70 | \$1,458.91 | \$1,518.85 | \$1,580.49 | 5.2% | -9.6% |
| Age 6 to 14 | \$1,254.51 | \$1,243.90 | \$1,312.28 | \$1,430.97 | \$1,513.91 | \$1,599.69 | \$1,661.51 | 4.8% | 0.7% |
| Age 15 to 20 | \$2,293.75 | \$2,212.60 | \$2,262.53 | \$2,371.04 | \$2,492.01 | \$2,573.21 | \$2,676.70 | 2.6% | 3.5% |
| Age 21 to 44 | \$3,245.61 | \$3,228.84 | \$3,512.21 | \$3,388.45 | \$3,591.79 | \$3,819.01 | \$3,978.64 | 3.5% | -19.6% |
| Age 45 to 64 | \$7,219.56 | \$7,747.94 | \$8,575.95 | \$8,646.50 | \$9,038.95 | \$9,528.66 | \$9,917.45 | 5.4% | 4.8% |
| Age 65 to 74 | \$4,682.49 | \$5,249.59 | \$6,073.70 | \$6,303.96 | \$6,233.72 | \$5,361.32 | \$5,611.38 | 3.1% | -26.7% |
| Age 75 to 84 | \$6,525.89 | \$7,107.72 | \$7,906.67 | \$8,170.03 | \$7,991.72 | \$6,339.77 | \$6,657.09 | 0.3% | -39.9% |
| Age 85 and Over | \$9,968.84 | \$10,771.89 | \$11,736.22 | \$11,969.50 | \$12,130.86 | \$10,200.63 | \$10,729.77 | 1.2% | -35.9% |
| Age Unknown | \$12,837.40 | \$33,867.92 | \$29,929.31 | \$33,909.63 | \$35,830.83 | \$39,175.50 | \$40,697.30 | 21.2% | 1412.1% |
| Total | \$3,392.86 | \$3,815.13 | \$3,900.35 | \$4,070.54 | \$4,180.94 | \$4,228.57 | \$4,408.24 | 4.5% | 7.9% |
| By Race | | | | | | | | | |
| White | \$3,730.12 | \$4,027.70 | \$4,118.99 | \$4,337.88 | \$4,014.89 | \$4,082.91 | \$4,266.47 | 2.3% | -15.8% |
| Black | \$2,510.53 | \$2,576.48 | \$2,795.64 | \$2,934.64 | \$2,859.22 | \$3,023.78 | \$3,157.92 | 3.9% | -6.7% |
| Hispanic, American Indian or Asian | \$1,229.73 | \$1,344.56 | \$1,424.31 | \$1,489.21 | \$1,594.22 | \$1,957.48 | \$2,000.98 | 8.5% | -24.3% |
| Other/Unknown | \$8,727.91 | \$13,803.35 | \$12,670.71 | \$12,945.03 | \$16,333.68 | \$12,946.11 | \$13,445.49 | 7.5% | 202.0% |
| Total | \$3,392.86 | \$3,815.13 | \$3,900.35 | \$4,070.54 | \$4,180.94 | \$4,228.57 | \$4,408.24 | 4.5% | 7.9% |
| By Sex | | | | | | | | | |
| Female | \$2,898.25 | \$3,058.03 | \$3,305.01 | \$3,469.81 | \$3,270.61 | \$3,350.95 | \$3,500.30 | 3.2% | -17.0% |
| Male | \$3,371.84 | \$3,592.74 | \$3,765.46 | \$3,947.02 | \$3,650.90 | \$3,746.66 | \$3,912.99 | 2.5% | -3.8% |
| Unknown | \$12,770.23 | \$27,480.99 | \$23,361.91 | \$24,166.48 | \$35,532.15 | \$38,895.68 | \$40,153.76 | 21.0% | 1413.4% |
| Total | \$3,392.86 | \$3,815.13 | \$3,900.35 | \$4,070.54 | \$4,180.94 | \$4,228.57 | \$4,408.24 | 4.5% | 7.9% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Created the SilverxCard program as a health reform demonstration, under Section 1115, that provides a comprehensive pharmacy to low income seniors. Through this program, non-Medicaid eligible South Carolina residents who are 65 or older, have no other prescription insurance, and are at or below 200% of the FPL receive pharmacy services through the Medicaid program. Serves 57,114 people, operating since January 1, 2003.

South Carolina operates a health reform demonstration with a Freedom of Choice Waiver under Title XIX, Section 1915 (b). The High Risk Channeling Project implements a case management system, including expanded screening to identify pregnant women at high medical risk. It has been operating since 1986.

Several Home and Community Based Service Waivers, under Section 1915 (c), enable the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Elderly and Disabled: Serves 11,000 people, operating since October 1, 1984.
- Elderly and Disabled (SC Choice): Serves 69 people, operating since May 1, 2003.
- AIDS: Serves 990 people, operating since October 1, 1988.
- Mental Retardation and Related Conditions: Serves 4,574 people, operating since October 1, 1991.
- Traumatic Brain Injury (including spinal cord injuries): Serves 458 people, operating since April 1, 1995.
- People Age 21 and Over Dependent on Mechanical Ventilation: Serves 33 people, operating since December 1, 1994.
- People Age 18 and Over with Amyotrophic Lateral Sclerosis: Operating since January 1, 1987.

Family Planning Waiver Expansion: The South Carolina Department of Health and Human Services submitted to HCFA an expansion proposal which would revise the existing waiver to include all women at or below 185% of the federal poverty level. These individuals would be eligible for family planning services without the requirement of having a Medicaid reimbursed pregnancy. Serves 59,800 people, operating since June 1, 1997.

Medicaid Coverage of Home Care for Certain Disabled Children: Under Section 143 of the Tax Equity and Fiscal Responsibility Act of 1982, states are allowed to make Medicaid benefits available to certain disabled children ordinarily not eligible for SSI benefits because of their parents' income or resources. These children are referred to as "Katie Beckett" or TEFRA children. South Carolina began covering these children effective January 1, 1995.

Managed Care

- Any Willing Provider Clause: For pharmacies and allied professionals.
- The South Carolina Medicaid Managed Care Program offers eligibles a choice of two voluntary managed care delivery systems: (1) The Physician Enhanced Program (PEP); and (2) The HMO Program.

Coverage for Targeted Population

- The State does not have any indigent care programs for adults.

SOUTHERN REGION MEDICAID PROFILE

Cost Containment Measures

- Certificate of Need Program since 1971. Regulates introduction or expansion of new institutional health facilities and services. Program revised in 1992.
- Rate setting. Prospective payment/Diagnostic-Related Group methodology used for Medicaid.

Medicaid

- 19 optional services are offered.
- Counties provide \$0.50 per capita to provide Medicaid services. An additional \$13 million is assessed for use as matching funds for Medicaid, with \$7.5 million of this amount going to the Medicaid Expansion Fund.
- Pharmacy Services: Effective July 1, 1998, Medicaid eligible recipients from birth through the month of their 21st birthday are eligible to receive an unlimited number of prescriptions per month.
- Pharmacy Services: Effective July 1, 1999, Medicaid eligible recipients 21 years and one month old and older will be eligible to receive 4 prescriptions per month.
- Enacted legislation in 2000 that created a pharmacy assistance program, SILVERxCARD, for individuals who are 65 and older, have lived in the state for 6 months, have incomes up to 150% of the FPL, and have no other prescription drug coverage. The Legislature appropriated \$20 million in tobacco settlement funds for the program, effective January 1, 2001.
- In August 2001, received approval from the HHS to extend Medicaid coverage to low-income, uninsured women for breast or cervical treatment.
- Appropriated funds to extend Medicaid benefits to working disabled individuals whose family income is less than 250% of the FPL and who could receive Supplemental Security Income (SSI) benefits except for their earned income.
- Appropriated funds to establish the Rehabilitative Therapy Services Fund for payment to private providers for Medicaid services to eligible children, including physical, occupational, and speech therapies and audiology services.
- In FY 02, enacted legislation as follows:
 1. Added medications to the list of items requiring prior authorization.
 2. Increased co-payments for prescription drugs by \$1.
 3. Limited Medicare crossover payments.
 4. Increased physician reimbursement rates.
- In 2004, enacted legislation and/or policy changes in Medicaid as follows:
 1. Initiated a Pharmacy and Therapeutics Committee to clinically evaluate and establish a preferred drug list.
 2. Initiated a more stringent enforcement of monthly drug limits established for Medicaid recipients.
 3. Implemented co-pays for Medicaid recipients ranging from \$1.00 for podiatrist and chiropractor visits, \$2.00 for physician office visits and other outpatient services, \$3.00 for outpatient hospital visits, durable medical equipment, dental visits, and pharmacy for recipients over 19, and \$25.00 for inpatient hospital stays.

Children's Health Insurance Program: Medicaid Expansion

- The Partners for Healthy Children Program (PHC) received HCFA approval on February 18, 1998. PHC provides coverage through an expansion of Medicaid to children from birth through age 18 in families with incomes at or below 150% of the FPL. The benefit package will be the same as the regular Medicaid package.
- PHC expanded net enrollment of children in Medicaid by over 210,553 as of September 2004. SCHIP eligibles accounted for 52,061 of the net increase. There were 75,597 SCHIP recipients in the program as of September 2004.

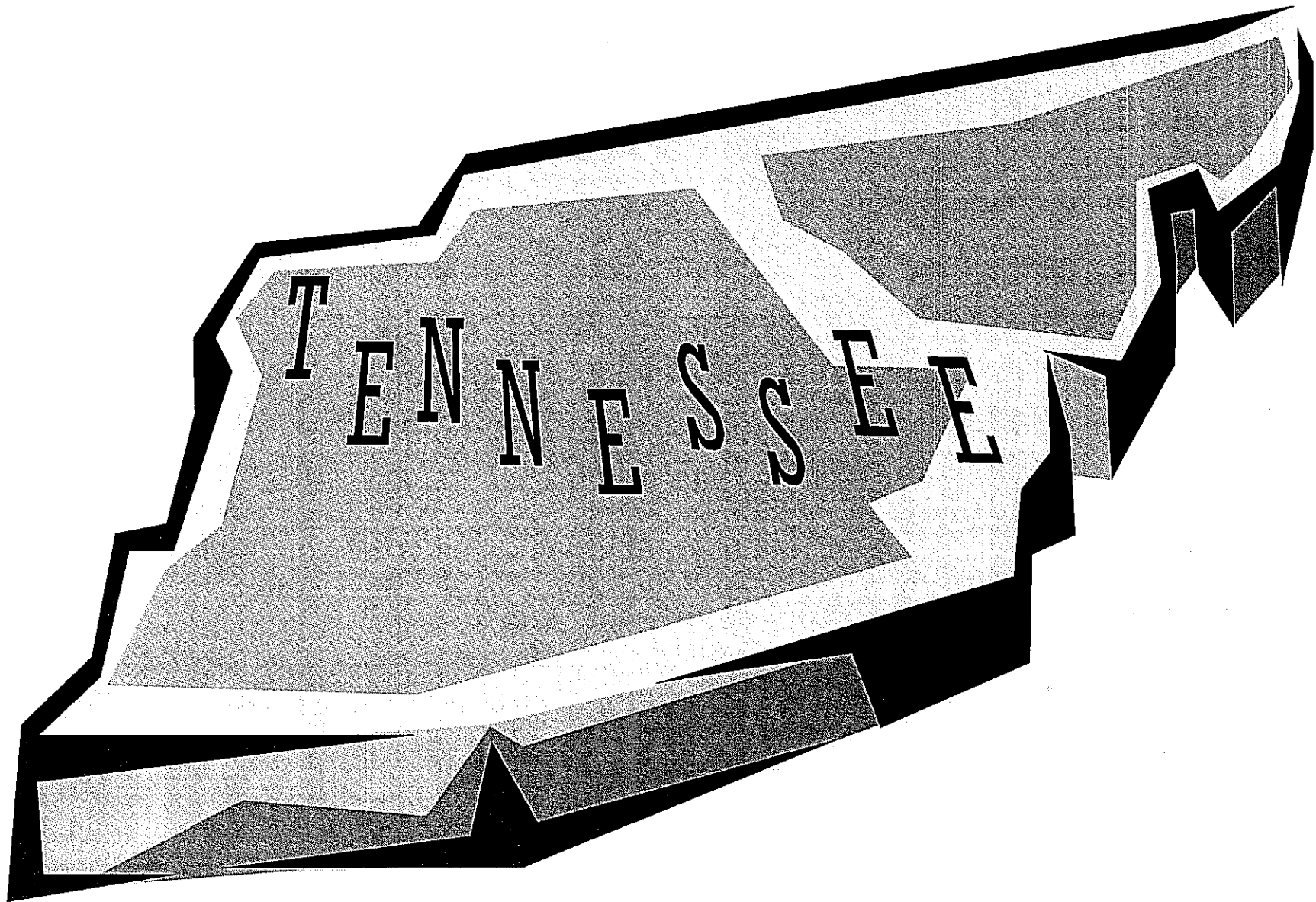
SOUTHERN REGION MEDICAID PROFILE

Tobacco Settlement

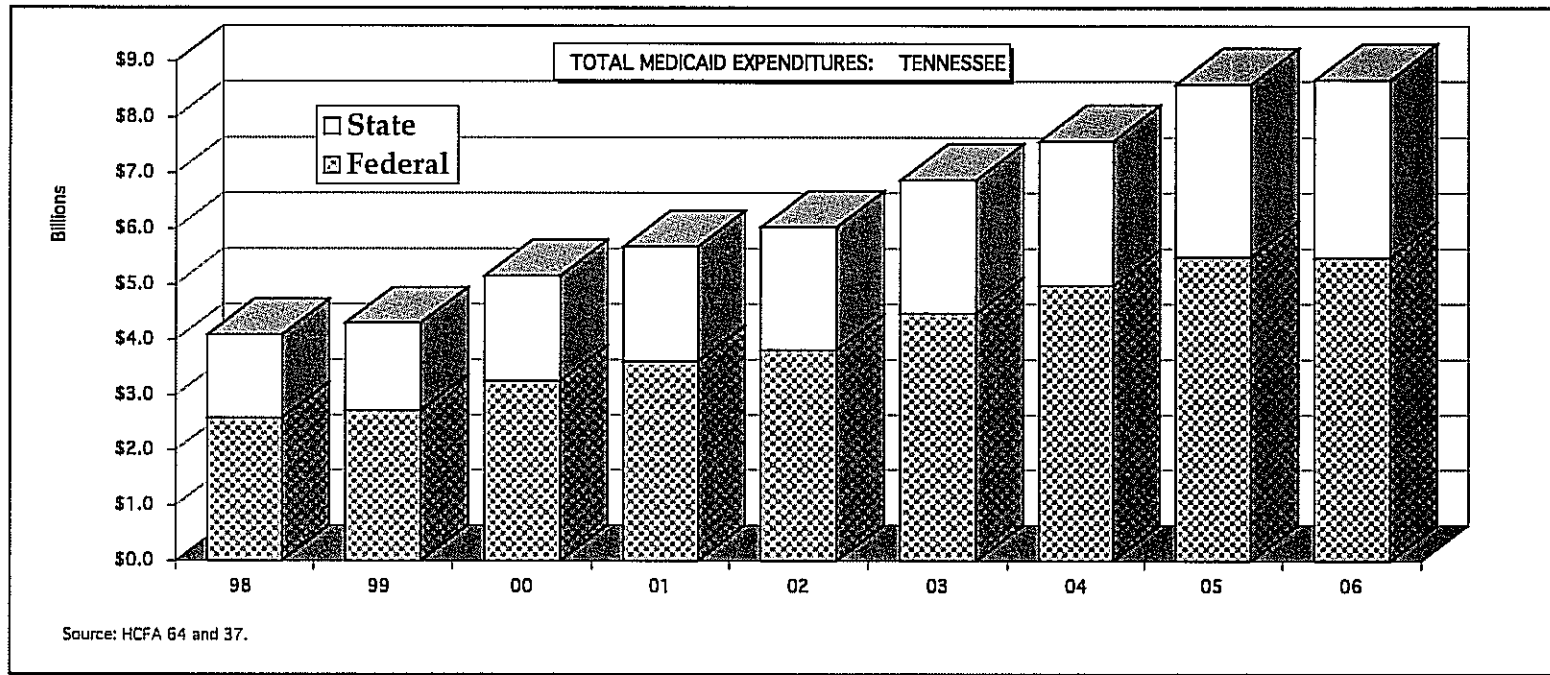
- The state expects to receive approximately \$2.4 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$1.06 billion.
- The state has allocated these funds and compares with the U.S. as follows:

| | SC | % | U.S. | % |
|--------------------------------|-----------------|--------|------------------|--------|
| Tobacco use prevention | \$1,750,000 | 0.2% | \$1,813,423,000 | 4.6% |
| Health services | \$260,941,000 | 24.7% | \$11,824,057,000 | 29.9% |
| Long-term care | \$24,000,000 | 2.3% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$5,500,000 | 0.5% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$196,500,000 | 18.6% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$553,000,000 | 52.2% | \$7,636,209,000 | 19.3% |
| Other | \$16,700,000 | 1.6% | \$10,048,868,000 | 25.4% |
| Total | \$1,058,391,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$3,973,329,340 | \$4,178,613,010 | \$4,993,964,836 | \$5,519,373,714 | \$5,791,956,207 | \$6,357,163,063 | \$7,029,807,190 | \$7,989,497,000 | \$8,043,763,000 | 9.2% | 102.4% |
| Federal Share | \$2,521,519,369 | \$2,657,217,024 | \$3,161,527,392 | \$3,528,514,477 | \$3,692,883,112 | \$4,211,212,123 | \$4,699,732,707 | \$5,177,993,000 | \$5,148,014,000 | 9.3% | 104.2% |
| State Share | \$1,451,809,971 | \$1,521,395,986 | \$1,832,437,444 | \$1,990,859,237 | \$2,099,073,095 | \$2,145,950,940 | \$2,330,074,483 | \$2,811,504,000 | \$2,895,749,000 | 9.0% | 99.5% |
| Administrative Costs | \$123,168,141 | \$126,015,624 | \$163,074,995 | \$164,842,053 | \$245,058,264 | \$523,444,783 | \$545,895,059 | \$603,424,000 | \$628,900,000 | 22.6% | 410.6% |
| Federal Share | \$66,979,817 | \$68,589,229 | \$96,478,650 | \$88,991,229 | \$129,957,668 | \$272,102,238 | \$286,021,444 | \$319,793,000 | \$333,292,000 | 22.2% | 397.6% |
| State Share | \$56,188,324 | \$57,426,395 | \$66,596,345 | \$75,850,824 | \$115,100,596 | \$251,342,545 | \$259,873,615 | \$283,631,000 | \$295,608,000 | 23.1% | 426.1% |
| Admin. Costs as % of Payments | 3.10% | 3.02% | 3.27% | 2.99% | 4.23% | 8.23% | 7.77% | 7.55% | 7.82% | | |
| Federal Match Rate* | 63.36% | 63.09% | 63.10% | 63.79% | 63.64% | 64.59% | 64.40% | 64.81% | 63.99% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|-----------------|-----------------|----------------|---------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$1,451,809,971 | \$2,141,784,732 | \$56,188,324 | \$259,873,615 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$188,010,404 | \$0 | \$0 |
| Donations | \$0 | \$279,347 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$1,451,809,971 | \$2,330,074,483 | \$56,188,324 | \$259,873,615 |

*Donations from Outstationed Eligibility Workers Program

Provider Taxes Currently in Place (FFY 04)

| | Tax Rate | Amount |
|----------------------------|--------------------------|---------------|
| Nursing homes | \$3,250 per bed per year | \$86,809,181 |
| ICF/MR facilities | 6% of revenues | \$14,145,825 |
| HMO's | 2% of enrollee revenue | \$72,588,765 |
| Physician Professional fee | | \$14,466,633 |
| Total | | \$188,010,404 |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|--------|--------|--------|--------|--------|--------|--------|----------|----------|---------------|
| General Hospitals | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a |
| Mental Hospitals | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|---|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | \$942 | 72.1% |
| Payment Standard | \$180 | 13.8% |
| Maximum Payment | \$185 | 14.2% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | \$317 | |
| Resource Standard | \$3,000 | |
| Pregnant Women, Children and Infants (% of FPL* for Family of 3)) | | |
| Pregnant women and infants | | 185.0% |
| Children to age 6 | | 133.0% |
| Children 6 to 19 | | 100.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

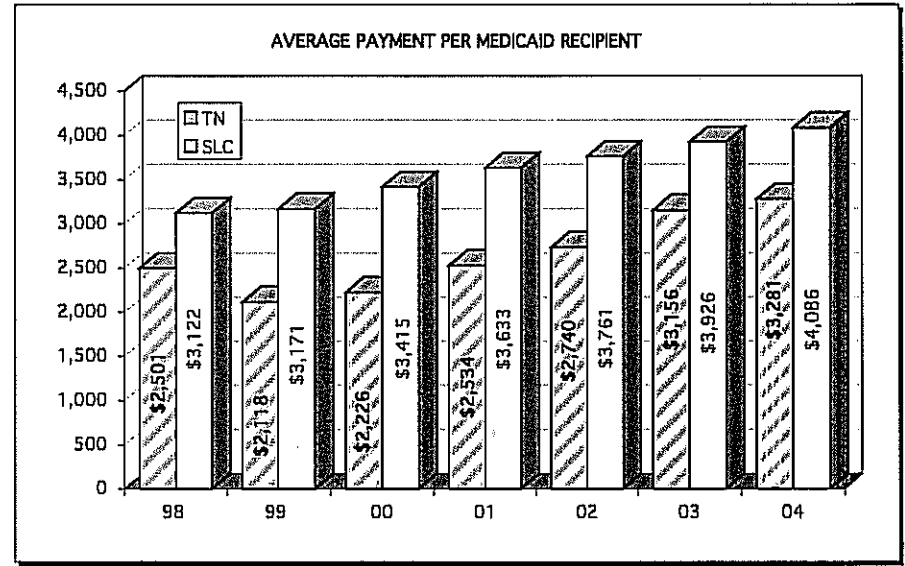
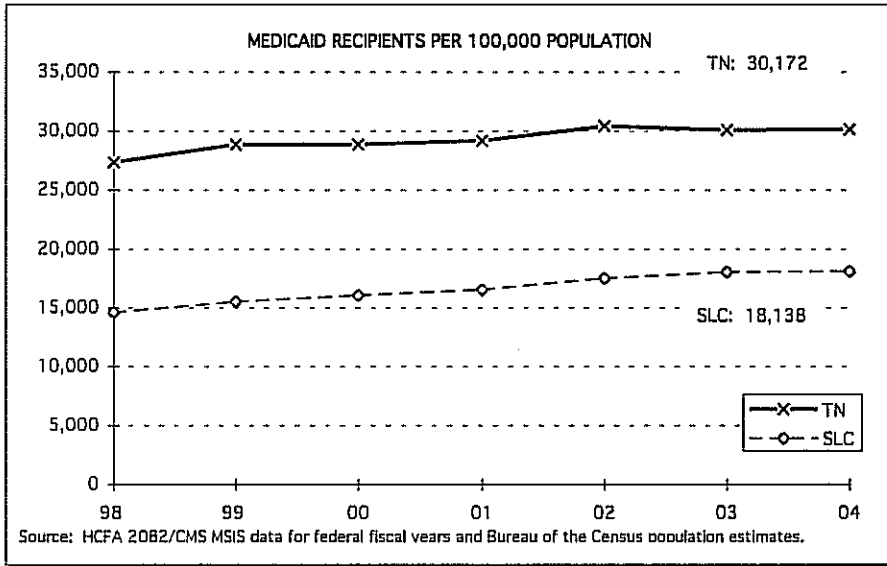
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 5,900,962 | 16 |
| Per capita personal income** | \$30,005 | 35 |
| Median household income** | \$37,529 | 42 |
| Population below Federal Poverty Level on July 1, 2003* | 843,838 | |
| Percent of total state population | 14.3% | 8 |
| Population without health insurance coverage* | 778,000 | 17 |
| Percent of total state population | 13.2% | 31 |
| Recipients of Food Stamps*** | 806,198 | 10 |
| Households receiving Food Stamps*** | 350,780 | 10 |
| Total value of issuance*** | \$816,239,785 | 10 |
| Average monthly benefit per recipient | \$84.37 | 23 |
| Average monthly benefit per household | \$193.91 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 195,026 | 6 |
| Total TANF payments**** | \$149,524,475 | 47 |
| Average monthly payment per recipient | \$63.89 | 47 |
| Maximum monthly payment per family of 3 | \$185.00 | 48 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| 01. General Hospital | 51,793 | 49,847 | 47,803 | 47,803 | 70,649 | 137,938 | 140,080 | 18.0% |
| 02. Mental Hospital | 378 | 413 | 379 | 379 | 2,249 | 5,348 | 5,396 | 55.8% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 51,279 | 51,028 | 51,928 | 51,928 | 37,954 | 37,032 | 38,516 | -4.7% |
| 04. Intermediate Care for Mentally Retarded | 1,919 | 1,766 | 1,689 | 1,689 | 1,529 | 1,590 | 1,644 | -2.5% |
| 05. Physician Services | 193,930 | 196,023 | 205,513 | 205,513 | 950,918 | 1,145,932 | 1,161,225 | 34.8% |
| 06. Dental Services | 400 | 375 | 400 | 400 | 131,899 | 249,521 | 251,542 | 192.7% |
| 07. Other Practitioners | 48,093 | 49,430 | 52,672 | 52,672 | 81,693 | 126,547 | 128,717 | 17.8% |
| 08. Outpatient Hospital | 113,469 | 112,727 | 110,361 | 110,361 | 391,827 | 533,956 | 541,200 | 29.7% |
| 09. Clinic Services | 17,167 | 17,016 | 18,543 | 18,543 | 69,361 | 91,596 | 92,822 | 32.5% |
| 10. Lab and X-Ray | 102,396 | 105,888 | 111,650 | 111,650 | 390,011 | 548,900 | 556,133 | 32.6% |
| 11. Home Health | 612 | 412 | 351 | 351 | 5,102 | 8,359 | 8,439 | 54.9% |
| 12. Prescribed Drugs | 813,981 | 864,679 | 890,000 | 890,000 | 916,968 | 852,307 | 879,897 | 1.3% |
| 13. Family Planning | 388 | 411 | 351 | 351 | 5 | 18 | 26 | -36.3% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| 15. Other Care | 74,471 | 77,076 | 80,554 | 80,554 | 266,227 | 355,936 | 360,869 | 30.1% |
| 16. Personal Care Support Services | 0 | 0 | 0 | 0 | 13,044 | 19,275 | 19,446 | 22.1% |
| 17. Home/Community Based Waiver Services | 6,000 | 6,000 | 6,100 | 6,100 | 0 | 0 | 128 | -47.3% |
| 18. Prepaid Health Care | 1,285,485 | 1,302,300 | 1,352,855 | 1,352,855 | 1,687,571 | 1,634,125 | 1,679,591 | 4.6% |
| 19. Primary Care Case Management (PCCM) Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| Total* | 1,453,538 | 1,550,955 | 1,568,318 | 1,602,027 | 1,732,381 | 1,729,589 | 1,780,447 | 3.4% |

61,227

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual</u> | <u>Share of Total</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------------|
| | | | | | | | | <u>Change</u> | <u>FFY 04</u> |
| 01. General Hospital | \$295,266,324 | \$321,723,323 | \$348,677,006 | \$454,987,177 | \$194,193,842 | \$437,895,269 | \$468,717,793 | 8.0% | 8.0% |
| 02. Mental Hospital | \$584,854 | \$19,373,596 | \$647,437 | \$21,769,187 | \$10,295,186 | \$13,196,910 | \$14,211,380 | 70.2% | 0.2% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$706,182,082 | \$585,765,916 | \$661,337,949 | \$705,391,029 | \$702,819,530 | \$741,492,076 | \$805,436,763 | 2.2% | 13.8% |
| 04. Intermediate Care for Mentally Retarded | \$243,609,178 | \$217,093,714 | \$216,098,144 | \$208,463,437 | \$237,844,313 | \$214,037,612 | \$235,075,730 | -0.6% | 4.0% |
| 05. Physician Services | \$20,810,346 | \$121,551,963 | \$127,497,595 | \$144,940,411 | \$435,059,614 | \$754,584,648 | \$777,674,688 | 82.8% | 13.3% |
| 06. Dental Services | \$32,683 | \$22,546 | \$21,284 | \$23,656 | \$28,660,471 | \$101,851,789 | \$103,865,539 | 283.4% | 1.8% |
| 07. Other Practitioners | \$3,578,828 | \$7,072,248 | \$8,333,854 | \$9,674,941 | \$11,580,358 | \$15,566,927 | \$16,353,968 | 28.8% | 0.3% |
| 08. Outpatient Hospital | \$14,150,088 | \$19,237,055 | \$13,662,007 | \$15,943,430 | \$182,739,332 | \$369,401,816 | \$378,892,494 | 73.0% | 6.5% |
| 09. Clinic Services | \$15,773,054 | \$18,653,214 | \$2,793,119 | \$6,346,412 | \$5,370,258 | \$6,643,693 | \$7,700,637 | -11.3% | 0.1% |
| 10. Lab and X-Ray | \$2,375,511 | \$1,891,029 | \$2,402,437 | \$2,508,205 | \$35,509,587 | \$74,735,062 | \$76,575,703 | 78.4% | 1.3% |
| 11. Home Health | \$415,361 | \$4,150,319 | \$4,604,678 | \$4,811,705 | \$11,471,581 | \$19,815,921 | \$20,449,231 | 91.4% | 0.4% |
| 12. Prescribed Drugs | \$29,538,580 | \$136,656,315 | \$273,537,047 | \$680,583,468 | \$573,588,021 | \$1,772,766,619 | \$1,822,448,643 | 98.8% | 31.2% |
| 13. Family Planning | \$0 | \$0 | \$0 | \$0 | \$653 | \$1,242 | \$1,271 | 39.5% | 0.0% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| 15. Other Care | \$17,401,517 | \$50,570,025 | \$105,070,890 | \$226,803,335 | \$320,774,534 | \$390,087,275 | \$405,858,851 | 69.0% | 6.9% |
| 16. Personal Care Support Services | \$0 | \$41,575 | \$191,690 | \$527,049 | \$6,497,696 | \$15,477,428 | \$15,824,972 | 228.2% | 0.3% |
| 17. Home/Community Based Waiver Services | \$86,147,127 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,656,159 | -44.0% | 0.0% |
| 18. Prepaid Health Care | \$2,199,906,620 | \$1,781,520,135 | \$1,726,081,444 | \$1,576,558,611 | \$1,991,144,922 | \$531,739,476 | \$690,232,132 | -17.6% | 11.8% |
| 19. Primary Case Management (PCCM) Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | n/a | 0.0% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$3,635,772,153 | \$3,285,322,973 | \$3,490,956,581 | \$4,059,332,053 | \$4,747,549,898 | \$5,459,293,763 | \$5,841,975,954 | 8.2% | 100.0% |

| <u>AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES</u> | | | | | | | | | (+) or (-) SLC |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------|--------------------|
| | | | | | | | | | <u>Avg. FFY 04</u> |
| 01. General Hospital | \$5,700.89 | \$6,454.22 | \$7,294.04 | \$9,517.96 | \$2,748.71 | \$3,174.58 | \$3,346.07 | -8.5% | -31.4% |
| 02. Mental Hospital | \$1,547.23 | \$46,909.43 | \$1,708.28 | \$57,438.49 | \$4,577.67 | \$2,467.63 | \$2,633.69 | 9.3% | -85.0% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$13,771.37 | \$11,479.30 | \$12,735.67 | \$13,584.02 | \$18,517.67 | \$20,023.01 | \$20,911.74 | 7.2% | -4.1% |
| 04. Intermediate Care for Mentally Retarded | \$126,945.90 | \$122,929.62 | \$127,944.43 | \$123,424.18 | \$155,555.47 | \$134,614.85 | \$142,990.10 | 2.0% | 72.0% |
| 05. Physician Services | \$107.31 | \$620.09 | \$620.39 | \$705.26 | \$457.52 | \$658.49 | \$669.70 | 35.7% | 26.0% |
| 06. Dental Services | \$81.71 | \$60.12 | \$53.21 | \$59.14 | \$217.29 | \$408.19 | \$412.92 | 31.0% | 24.5% |
| 07. Other Practitioners | \$74.41 | \$143.08 | \$158.22 | \$183.68 | \$141.75 | \$123.01 | \$127.05 | 9.3% | -28.1% |
| 08. Outpatient Hospital | \$124.70 | \$170.65 | \$123.79 | \$144.47 | \$466.38 | \$691.82 | \$700.10 | 33.3% | 18.1% |
| 09. Clinic Services | \$918.80 | \$1,096.22 | \$150.63 | \$342.25 | \$77.42 | \$72.53 | \$82.96 | -33.0% | -88.7% |
| 10. Lab and X-Ray | \$23.20 | \$17.86 | \$21.52 | \$22.46 | \$91.05 | \$136.15 | \$137.69 | 34.6% | -24.7% |
| 11. Home Health | \$678.69 | \$10,073.59 | \$13,118.74 | \$13,708.56 | \$2,248.45 | \$2,370.61 | \$2,423.18 | 23.6% | 16.0% |
| 12. Prescribed Drugs | \$36.29 | \$158.04 | \$307.34 | \$764.70 | \$625.53 | \$2,079.96 | \$2,071.21 | 96.2% | 53.9% |
| 13. Family Planning | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$130.60 | \$69.00 | \$48.88 | -38.8% | -93.1% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| 15. Other Care | \$233.67 | \$656.11 | \$1,304.35 | \$2,815.54 | \$1,204.89 | \$1,095.95 | \$1,124.67 | 29.9% | -43.9% |
| 16. Personal Care Support Services | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$498.14 | \$802.98 | \$813.79 | 27.8% | -39.6% |
| 17. Home/Community Based Waiver Services | \$14,357.85 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$20,751.24 | 6.3% | 570.7% |
| 18. Prepaid Health Care | \$1,711.34 | \$1,367.98 | \$1,275.88 | \$1,165.36 | \$1,179.89 | \$325.40 | \$410.95 | -21.2% | -65.4% |
| 19. Primary Case Management (PCCM) Services | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | n/a | -100.0% |
| Total (Average) | \$2,501.33 | \$2,118.26 | \$2,225.92 | \$2,533.87 | \$2,740.48 | \$3,156.41 | \$3,281.18 | 4.6% | -19.7% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------|--------------|
| TOTAL PER CAPITA EXPENDITURES | \$771.85 | \$801.35 | \$949.62 | \$1,036.60 | \$1,061.12 | \$1,198.71 | \$1,283.81 | 8.8% | 46.6% |
|--------------------------------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------|--------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 330,240 | 413,274 | 415,106 | 437,646 | 478,675 | 537,217 | 551,003 | 8.9% | 30.9% |
| Poverty Related Eligibles | 199,930 | 735,897 | 798,341 | 811,828 | 243,007 | 258,158 | 274,239 | 5.4% | 15.4% |
| Medically Needy | 130,661 | 113,604 | 107,099 | 105,120 | 116,637 | 204,234 | 208,336 | 8.1% | 11.7% |
| Other Eligibles | 266,534 | 235,613 | 182,861 | 219,360 | 835,754 | 619,475 | 631,928 | 15.5% | 35.5% |
| Maintenance Assistance Status Unknown | 526,173 | 52,567 | 64,911 | 28,073 | 58,308 | 110,505 | 114,941 | -22.4% | 6.5% |
| Total | 1,453,538 | 1,550,955 | 1,568,318 | 1,602,027 | 1,732,381 | 1,729,589 | 1,780,447 | 3.4% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 343,264 | 404,122 | 402,202 | 408,179 | 430,553 | 415,076 | 427,760 | 12.9% | 24.0% |
| Children | 396,653 | 628,402 | 636,781 | 667,829 | 723,890 | 692,450 | 712,219 | -41.6% | 40.0% |
| Foster Care Children | 12,918 | 12,213 | 12,498 | 12,579 | 11,368 | 15,369 | 15,775 | 84.5% | 0.9% |
| Adults | 174,530 | 453,651 | 451,926 | 485,367 | 531,554 | 496,186 | 509,872 | -6.7% | 28.6% |
| Basis of Eligibility Unknown | 526,173 | 52,567 | 64,911 | 28,073 | 35,016 | 110,508 | 114,821 | 22.5% | 6.4% |
| Total | 1,453,538 | 1,550,955 | 1,568,318 | 1,602,027 | 1,732,381 | 1,729,589 | 1,780,447 | -100.0% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 54,283 | 32,728 | 32,460 | 33,812 | 34,308 | 34,563 | 35,735 | 34.9% | 2.0% |
| Age 1 to 5 | 187,926 | 193,563 | 195,053 | 202,304 | 213,237 | 211,592 | 217,944 | -0.3% | 12.2% |
| Age 6 to 14 | 276,711 | 297,421 | 301,720 | 316,617 | 335,549 | 317,722 | 327,463 | 8.8% | 18.4% |
| Age 15 to 20 | 150,886 | 160,150 | 163,104 | 171,631 | 183,391 | 179,763 | 185,088 | 10.6% | 10.4% |
| Age 21 to 44 | 405,717 | 430,494 | 423,659 | 443,946 | 476,353 | 445,576 | 459,433 | -22.3% | 25.8% |
| Age 45 to 64 | 221,241 | 236,642 | 240,148 | 253,768 | 274,498 | 268,184 | 276,071 | -22.1% | 15.5% |
| Age 65 to 74 | 71,973 | 72,448 | 74,665 | 78,939 | 83,202 | 86,767 | 89,237 | -14.6% | 5.0% |
| Age 75 to 84 | 51,387 | 45,519 | 44,537 | 45,240 | 46,372 | 47,885 | 49,368 | 13.9% | 2.8% |
| Age 85 and Over | 33,414 | 29,456 | 28,101 | 27,719 | 27,182 | 27,034 | 27,947 | 94.0% | 1.6% |
| Age Unknown | 0 | 52,534 | 64,871 | 28,051 | 58,289 | 110,503 | 112,161 | -100.0% | 6.3% |
| Total | 1,453,538 | 1,550,955 | 1,568,318 | 1,602,027 | 1,732,381 | 1,729,589 | 1,780,447 | -100.0% | 100.0% |
| By Race | | | | | | | | | |
| White | 962,743 | 1,027,100 | 1,036,087 | 1,058,265 | 1,104,503 | 1,069,293 | 1,102,319 | 2.3% | 61.9% |
| Black | 415,847 | 440,208 | 442,131 | 451,943 | 464,842 | 443,673 | 457,704 | 1.6% | 25.7% |
| Hispanic, American Indian or Asian | 12,566 | 27,995 | 19,597 | 20,037 | 50,220 | 48,600 | 49,545 | 25.7% | 2.8% |
| Other/ Unknown | 62,382 | 55,653 | 70,503 | 71,782 | 112,816 | 168,023 | 170,879 | 18.3% | 9.6% |
| Total* | 1,453,538 | 1,550,955 | 1,568,318 | 1,602,027 | 1,732,381 | 1,729,589 | 1,780,447 | 3.4% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 844,815 | 654,416 | 906,219 | 924,750 | 960,387 | 933,886 | 961,458 | 2.2% | 54.0% |
| Male | 608,723 | 896,539 | 662,099 | 677,277 | 713,705 | 685,199 | 707,594 | 2.5% | 39.7% |
| Unknown | 0 | 0 | 0 | 0 | 58,289 | 110,504 | 111,395 | 38.2% | 6.3% |
| Total* | 1,453,538 | 1,550,955 | 1,568,318 | 1,602,027 | 1,732,381 | 1,729,589 | 1,780,447 | 3.4% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$1,134,650,408 | \$1,241,486,538 | \$1,531,196,651 | \$1,502,199,446 | \$1,797,648,574 | \$2,328,432,770 | \$2,476,300,352 | 13.9% | 42.4% |
| Poverty Related Eligibles | \$796,140,654 | \$1,284,753,013 | \$1,431,821,061 | \$1,785,669,064 | \$781,659,107 | \$313,262,419 | \$412,402,606 | -10.4% | 7.1% |
| Medically Needy | \$186,212,160 | \$150,830,604 | \$169,347,881 | \$172,640,159 | \$205,773,920 | \$509,826,438 | \$531,452,809 | 19.1% | 9.1% |
| Other Eligibles | \$1,060,010,665 | \$605,837,323 | \$343,222,015 | \$598,823,384 | \$1,949,198,034 | \$2,270,147,260 | \$2,376,016,398 | 14.4% | 40.7% |
| Maintenance Assistance Status Unknown | \$458,758,266 | \$2,415,495 | \$15,368,973 | \$0 | \$13,270,263 | \$37,624,876 | \$45,803,789 | -31.9% | 0.8% |
| Total | \$3,635,772,153 | \$3,285,322,973 | \$3,490,956,581 | \$4,059,332,053 | \$4,747,549,898 | \$5,459,293,763 | \$5,841,975,954 | 8.2% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,912,298,607 | \$1,962,310,619 | \$1,664,387,569 | \$2,113,343,387 | \$2,637,036,147 | \$3,239,966,357 | \$3,449,764,185 | 10.3% | 59.1% |
| Children | \$471,335,600 | \$542,319,291 | \$758,377,426 | \$710,732,689 | \$714,704,280 | \$729,551,275 | \$790,447,092 | 9.0% | 13.5% |
| Foster Care Children | \$66,381,396 | \$78,596,493 | \$77,993,878 | \$72,873,756 | \$92,344,399 | \$112,749,461 | \$120,517,465 | 10.5% | 2.1% |
| Adults | \$726,327,557 | \$699,681,075 | \$974,828,735 | \$1,162,382,221 | \$1,290,194,809 | \$1,339,391,041 | \$1,435,422,102 | 12.0% | 24.6% |
| Basis of Eligibility Unknown | \$459,428,993 | \$2,415,495 | \$15,368,973 | \$0 | \$13,270,263 | \$37,635,629 | \$45,825,110 | -31.9% | 0.8% |
| Total | \$3,635,772,153 | \$3,285,322,973 | \$3,490,956,581 | \$4,059,332,053 | \$4,747,549,898 | \$5,459,293,763 | \$5,841,975,954 | 8.2% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$41,226,951 | \$21,358,039 | \$38,192,217 | \$38,216,039 | \$52,485,225 | \$66,264,878 | \$70,261,672 | 9.3% | 1.2% |
| Age 1 to 5 | \$182,377,106 | \$171,331,655 | \$221,217,724 | \$195,769,464 | \$208,501,627 | \$250,860,590 | \$269,934,948 | 6.8% | 4.6% |
| Age 6 to 14 | \$311,085,447 | \$295,865,131 | \$397,902,682 | \$360,791,541 | \$350,454,250 | \$367,989,272 | \$400,306,969 | 4.3% | 6.9% |
| Age 15 to 20 | \$332,509,797 | \$336,871,580 | \$438,127,593 | \$399,439,472 | \$386,414,328 | \$360,035,607 | \$394,978,774 | 2.9% | 6.8% |
| Age 21 to 44 | \$1,002,377,630 | \$988,904,646 | \$1,267,243,826 | \$1,256,244,945 | \$1,440,318,095 | \$1,465,441,787 | \$1,580,511,034 | 7.9% | 27.1% |
| Age 45 to 64 | \$704,159,023 | \$700,539,993 | \$874,282,371 | \$1,023,861,705 | \$1,394,324,512 | \$1,691,386,390 | \$1,790,452,899 | 16.8% | 30.6% |
| Age 65 to 74 | \$245,638,770 | \$219,442,200 | \$163,402,124 | \$213,957,036 | \$282,720,936 | \$447,452,865 | \$471,839,193 | 11.5% | 8.1% |
| Age 75 to 84 | \$369,874,449 | \$254,721,104 | \$62,842,730 | \$265,122,590 | \$300,332,862 | \$399,975,673 | \$425,606,513 | 2.4% | 7.3% |
| Age 85 and Over | \$446,522,980 | \$293,937,238 | \$12,406,917 | \$305,929,261 | \$318,755,176 | \$372,266,675 | \$399,400,888 | -1.8% | 6.8% |
| Age Unknown | \$0 | \$2,351,387 | \$15,338,397 | \$0 | \$13,242,887 | \$37,620,026 | \$38,683,064 | 75.1% | 0.7% |
| Total | \$3,635,772,153 | \$3,285,322,973 | \$3,490,956,581 | \$4,059,332,053 | \$4,747,549,898 | \$5,459,293,763 | \$5,841,975,954 | 8.2% | 100.0% |
| By Race | | | | | | | | | |
| White | \$2,237,034,676 | \$1,993,081,754 | \$2,379,721,705 | \$2,753,991,672 | \$3,421,275,083 | \$3,979,573,999 | \$4,239,541,781 | 11.2% | 72.6% |
| Black | \$790,931,654 | \$697,530,394 | \$1,053,223,802 | \$1,196,334,667 | \$1,024,268,757 | \$1,060,123,414 | \$1,150,410,841 | 6.4% | 19.7% |
| Hispanic, American Indian or Asian | \$25,682,408 | \$23,393,737 | \$50,533,812 | \$55,206,195 | \$58,734,913 | \$59,117,964 | \$63,346,209 | 16.2% | 1.1% |
| Other/Unknown | \$582,123,415 | \$571,317,087 | \$7,477,262 | \$53,799,519 | \$243,271,145 | \$360,478,386 | \$388,677,123 | -6.5% | 6.7% |
| Total* | \$3,635,772,153 | \$3,285,322,973 | \$3,490,956,581 | \$4,059,332,053 | \$4,747,549,898 | \$5,459,293,763 | \$5,841,975,954 | 8.2% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$1,974,403,831 | \$1,758,322,407 | \$1,765,144,052 | \$2,085,929,055 | \$2,895,365,294 | \$3,356,141,655 | \$3,570,684,022 | 10.4% | 61.1% |
| Male | \$1,205,877,576 | \$1,066,048,064 | \$1,333,639,315 | \$1,542,091,553 | \$1,838,941,717 | \$2,065,531,512 | \$2,205,901,758 | 10.6% | 37.8% |
| Unknown | \$455,490,746 | \$460,952,502 | \$392,173,214 | \$431,311,445 | \$13,242,887 | \$37,620,596 | \$65,390,174 | -27.6% | 1.1% |
| Total* | \$3,635,772,153 | \$3,285,322,973 | \$3,490,956,581 | \$4,059,332,053 | \$4,747,549,898 | \$5,459,293,763 | \$5,841,975,954 | 8.2% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------|-------------|------------|-------------|-------------|-------------|-------------|------------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,435.84 | \$3,004.03 | \$3,688.69 | \$3,432.45 | \$3,755.47 | \$4,334.25 | \$4,494.17 | 4.6% | -27.1% |
| Poverty Related Eligibles | \$3,982.10 | \$1,745.83 | \$1,793.50 | \$2,199.57 | \$3,216.61 | \$1,213.45 | \$1,503.81 | -15.0% | -16.4% |
| Medically Needy | \$1,425.15 | \$1,327.69 | \$1,581.23 | \$1,642.32 | \$1,764.23 | \$2,496.29 | \$2,550.94 | 10.2% | -59.7% |
| Other Eligibles | \$3,977.02 | \$2,571.32 | \$1,876.96 | \$2,729.87 | \$2,332.26 | \$3,664.63 | \$3,759.95 | -0.9% | -47.5% |
| Maintenance Assistance Status Unknown | \$871.88 | \$45.95 | \$236.77 | \$0.00 | \$227.59 | \$340.48 | \$398.50 | -12.2% | -83.9% |
| Total | \$2,501.33 | \$2,118.26 | \$2,225.92 | \$2,533.87 | \$2,740.48 | \$3,156.41 | \$3,281.18 | 4.6% | -19.7% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$5,570.93 | \$4,855.74 | \$4,138.19 | \$5,177.49 | \$6,124.77 | \$7,805.72 | \$8,064.72 | 6.4% | -26.3% |
| Children | \$1,188.28 | \$863.01 | \$1,190.95 | \$1,064.24 | \$987.31 | \$1,053.58 | \$1,109.84 | -1.1% | -22.6% |
| Foster Care Children | \$5,138.67 | \$6,435.48 | \$6,240.51 | \$5,793.29 | \$8,123.19 | \$7,336.16 | \$7,639.78 | 6.8% | 12.9% |
| Adults | \$4,161.62 | \$1,542.33 | \$2,137.05 | \$2,394.85 | \$2,427.21 | \$2,699.37 | \$2,815.26 | -6.3% | 7.1% |
| Basis of Eligibility Unknown | \$873.15 | \$45.95 | \$236.77 | \$0.00 | \$378.98 | \$340.57 | \$399.10 | -12.2% | -83.9% |
| Total | \$2,501.33 | \$2,118.26 | \$2,225.92 | \$2,533.87 | \$2,740.48 | \$3,156.41 | \$3,281.18 | 4.6% | -19.7% |
| By Age | | | | | | | | | |
| Under Age 1 | \$759.48 | \$652.59 | \$1,176.59 | \$1,130.25 | \$1,529.82 | \$1,917.22 | \$1,966.19 | 17.2% | -43.9% |
| Age 1 to 5 | \$970.47 | \$885.15 | \$1,134.14 | \$967.70 | \$977.79 | \$1,185.59 | \$1,238.55 | 4.1% | -29.2% |
| Age 6 to 14 | \$1,124.23 | \$994.77 | \$1,318.78 | \$1,139.52 | \$1,044.42 | \$1,158.21 | \$1,222.45 | 1.4% | -25.9% |
| Age 15 to 20 | \$2,203.72 | \$2,103.48 | \$2,686.19 | \$2,327.32 | \$2,107.05 | \$2,002.83 | \$2,134.01 | -0.5% | -17.5% |
| Age 21 to 44 | \$2,470.63 | \$2,297.14 | \$2,991.19 | \$2,829.72 | \$3,023.64 | \$3,288.87 | \$3,440.13 | 5.7% | -30.5% |
| Age 45 to 64 | \$3,182.77 | \$2,960.34 | \$3,640.60 | \$4,034.64 | \$5,079.54 | \$6,306.81 | \$6,485.48 | 12.6% | -31.5% |
| Age 65 to 74 | \$3,412.93 | \$3,028.96 | \$2,188.47 | \$2,710.41 | \$3,398.01 | \$5,156.95 | \$5,287.48 | 7.6% | -31.0% |
| Age 75 to 84 | \$7,197.82 | \$5,595.93 | \$1,411.02 | \$5,860.36 | \$6,476.60 | \$8,352.84 | \$8,621.10 | 3.1% | -22.1% |
| Age 85 and Over | \$13,363.35 | \$9,978.86 | \$441.51 | \$11,036.81 | \$11,726.70 | \$13,770.31 | \$14,291.37 | 1.1% | -14.6% |
| Age Unknown | \$0.00 | \$44.76 | \$236.44 | \$0.00 | \$227.19 | \$340.44 | \$344.89 | 50.4% | -87.2% |
| Total | \$2,501.33 | \$2,118.26 | \$2,225.92 | \$2,533.87 | \$2,740.48 | \$3,156.41 | \$3,281.18 | 4.6% | -19.7% |
| By Race | | | | | | | | | |
| White | \$2,323.61 | \$1,940.49 | \$2,296.84 | \$2,602.36 | \$3,097.57 | \$3,721.69 | \$3,846.02 | 8.8% | -24.1% |
| Black | \$1,901.98 | \$1,584.55 | \$2,382.15 | \$2,647.09 | \$2,203.48 | \$2,389.43 | \$2,513.44 | 4.8% | -25.7% |
| Hispanic, American Indian or Asian | \$2,043.80 | \$835.65 | \$2,578.67 | \$2,755.28 | \$1,169.55 | \$1,216.42 | \$1,278.56 | -7.5% | -51.6% |
| Other/Unknown | \$9,331.59 | \$10,265.73 | \$106.06 | \$749.48 | \$2,156.35 | \$2,145.41 | \$2,274.58 | -21.0% | -48.9% |
| Total | \$2,501.33 | \$2,118.26 | \$2,225.92 | \$2,533.87 | \$2,740.48 | \$3,156.41 | \$3,281.18 | 4.6% | -19.7% |
| By Sex | | | | | | | | | |
| Female | \$2,337.08 | \$2,686.86 | \$1,947.81 | \$2,255.67 | \$3,014.79 | \$3,593.74 | \$3,713.82 | 8.0% | -12.0% |
| Male | \$1,981.00 | \$1,189.07 | \$2,014.26 | \$2,276.90 | \$2,576.61 | \$3,014.50 | \$3,117.47 | 7.8% | -23.4% |
| Unknown | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$227.19 | \$340.45 | \$587.01 | 60.7% | -77.9% |
| Total | \$2,501.33 | \$2,118.26 | \$2,225.92 | \$2,533.87 | \$2,740.48 | \$3,156.41 | \$3,281.18 | 4.6% | -19.7% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Tennessee operates a health care reform demonstration waiver under Title XIX, Section 1115. TennCare is a statewide program that provides health care benefits to Medicaid beneficiaries, uninsured state residents, and those whose medical conditions make them uninsurable. All TennCare enrollees receive services, exclusive of long-term care and Medicare costs, through capitated managed care plans that are either HMO or PPO. It limits enrollment to 1,500,000 per year with Medicaid eligibles having first priority.

- On July 1, 2002 Tennessee reached a new five-year agreement with the federal government to continue TennCare. The agreement separated TennCare into three products: TennCare Medicaid, TennCare Standard and TennCare Assist (the Assist program will be implemented at a later date determined by the legislature).

- TennCare Medicaid is a continuation of the federal Medicaid program with a few minor changes in benefits, and a three-tiered pharmacy co-payment structure that begins January 1, 2003. Tennessee added a new Medicaid eligibility category: women under 65 who have been screened by the Centers for Disease Control (CDC) and are in need of treatment for breast or cervical cancer.

TennCare received approval from CMS on March 24, 2005 to disenroll approximately 323,000 individuals in optional and expansion groups due to budget shortfalls.

- Eligibility for TennCare as a result of the plan amendment is as follows:

1. TennCare Medicaid will cover those that were previously enrolled in the program and receive benefits required by CMS for all Medicaid programs;
2. TennCare Standard will disenroll: 1) adult, non-pregnant aged, blind, disabled, and caretaker relative Medically Needy; 2) uninsured adults below 200% of the FPL; 3) adults that have medical conditions that make them uninsurable; and 4) adults that have Medicare, but not Medicaid, who met criteria for TennCare Standard as of December 31, 2001, and have continued to meet the criteria that would make them uninsured (also known as grandfathered duals). The process is expected to start as early as June 1, 2005, and provide health care coverage to approximately 1.3 million individuals.
3. After disenrollment, the remaining expansion groups will include: 1) uninsured children under age 19 with family incomes up to 200% of the FPL; 2) uninsured children under age 19 that are unsurable and have family incomes up to 200% of the FPL; 3) uninsured children under age 19 up to 200% of the FPL enrolled before December 31, 2001, as uninsured with no access to insurance, and 4) uninsured children under age 19 that have Medicare, but not Medicaid, were enrolled before December 31, 2001, and meet the criteria for being uninsurable that were in place at that time.
4. TennCare Assist will cover employed, with access to group health insurance, up to 200% of the FPL. The state will cover up to 40% of the cost of employer sponsored health insurance coverage that offers at least a basic HMO package; limits employee out-of-pocket expenses to \$2,000 per individual and \$4,000 per family (to be implemented at a later date); and
5. Pharmacy-only will provide pharmacy benefits to grandfathered Medicare enrollees with a three-tiered pharmacy co-payment.

- Cost sharing provisions of the revised TennCare program are as follows:

There is no cost sharing for TennCare Medicaid enrollees;

For TennCare Standard enrollees there are no co-pays for preventive services, and no cost sharing for enrollees with income up to 100% of the FPL;

For TennCare Standard enrollees with incomes from 100% to 200% of the FPL, the co-pays will be as follows:

- \$25 for emergency room services (waived if admitted);
- \$5 for pharmacy services;
- \$5 for outpatient services; \$15 for a specialist;
- \$15 for dental services;
- \$100 per inpatient hospital admission; and

SOUTHERN REGION MEDICAID PROFILE

Waivers (Continued)

- Limit out-of-pocket expenses to \$1,000 for individuals and \$2,000 for families.

For TennCare Standard enrollees with incomes above 200% of the FPL, the co-pays will be as follows:

- \$50 for emergency room services (waived if admitted);
- \$10 for pharmacy services;
- \$10 for outpatient services; \$25 for a specialist;
- \$25 for dental services;
- \$200 per inpatient hospital admission; and
- Limit out-of-pocket expenses to \$2,000 for individuals and \$4,000 for families.

Annual out-of-pocket maximums for grandfathered pharmacy co-payments are \$360 per individual; and

For TennCare Standard enrollees, monthly premiums range from \$20 to \$550 for individuals, and \$40 to \$1,375 for families (100% to 600% of the FPL).

A number of Home and Community Based Service Waivers, under Section 1915 (c), enable the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Elderly and Disabled: Two waivers serve 550, operating since July 1, 1986. Tennessee received approval in 1995 to continue this waiver.
- Mental Retardation/Developmental Disabilities: One waiver, serving 5,982 people, operating since July 1, 1987.
- Mental Health-Global Budget: Effective July 1, 1997, rates for seriously and persistently mentally ill (SPMI) were set at \$319.41 per member per month.

Managed Care

- Any Willing Provider Clause: Limited to optometrists, podiatrists, and social workers.
- TennCare contracts with 9 HMO's to provide statewide coverage to all individuals enrolled in the program. Enrollment in an HMO is mandatory.

Coverage for Targeted Population

- The TennCare Program provides managed care coverage to 869,004 Medicaid eligibles and an additional 570,768 adults and children who are either uninsurable or uninsured.
- All EPSDT screenings for children are covered through the contract with the HMO's. However, some services such as dental home health, equipment, supplies, and vision are limited.

Cost Containment Measures

- Certificate of Need Program since 1973. Regulates introduction or expansion of new institutional health facilities and services. The Health Facilities Commission, which operates the Certificate of Need Program, was terminated on June 30, 2003.
- Medical Care and Cost Containment Committee was appointed to oversee the medical cost containment system, including reasonable fee levels.
- Skilled and Intermediate Care Cost is now controlled by a global budget. Reimbursement rates are set by determining the number of days of care limited to an annual funding amount.
- Implemented a Preferred Drug List (PDL) in TennCare on October 15, 2003. The PDL is projected to achieve a \$150 million cost savings in the pharmacy program.

Medicaid

- Enacted legislation in 2002 titled the "TennCare Reform Act of 2002", which authorized the state to apply to CMS for a new 1115 demonstration project.
- All Medicaid services will be provided through the revised TennCare Medicaid demonstration waiver implemented in June 2005. The waiver has CMS approval through June 30, 2007.

SOUTHERN REGION MEDICAID PROFILE

Children's Health Insurance Program: State Designed

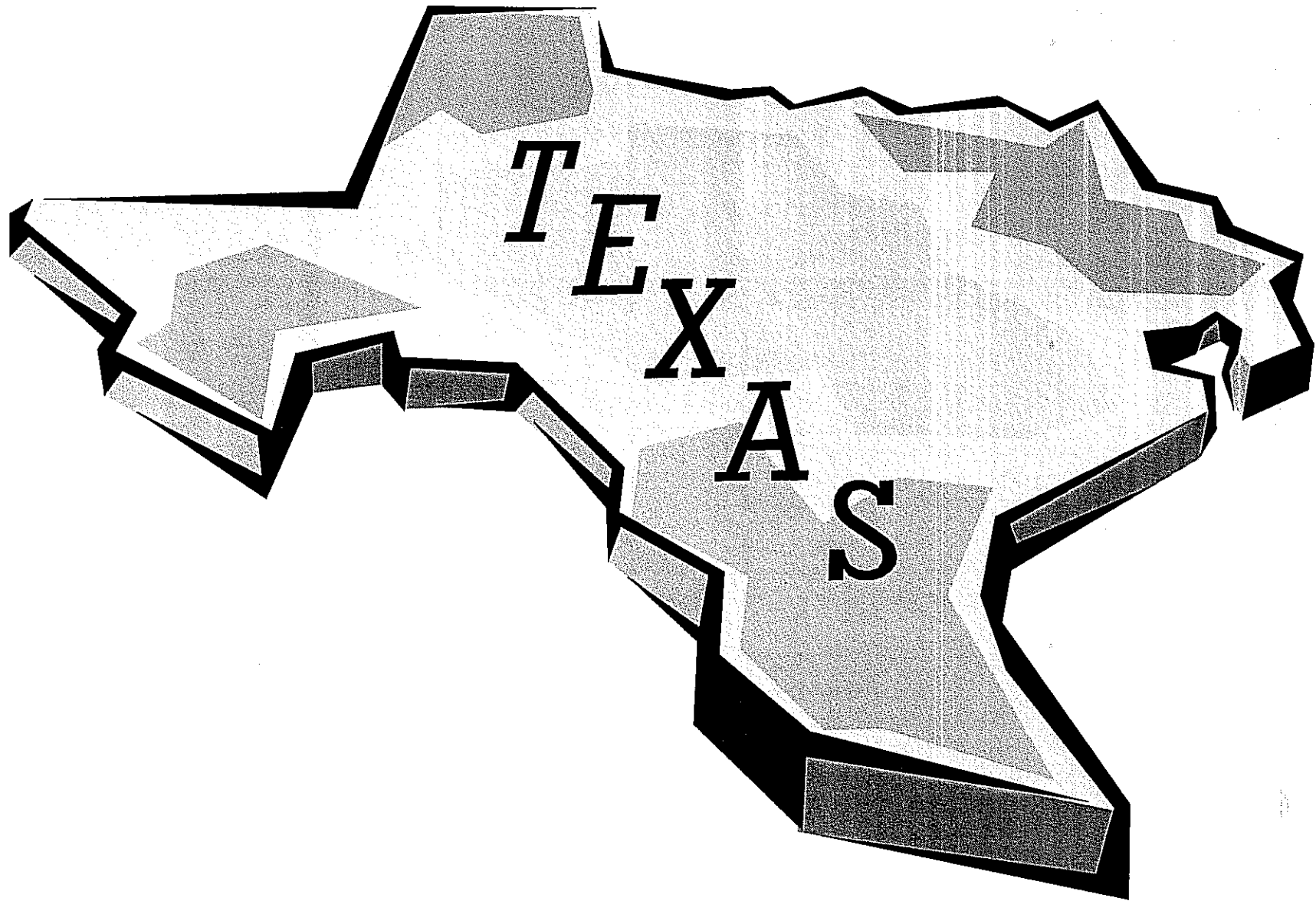
- Effective June 1, 2005, all eligible children will be covered under the revised TennCare 1115 demonstration waiver.

Tobacco Settlement

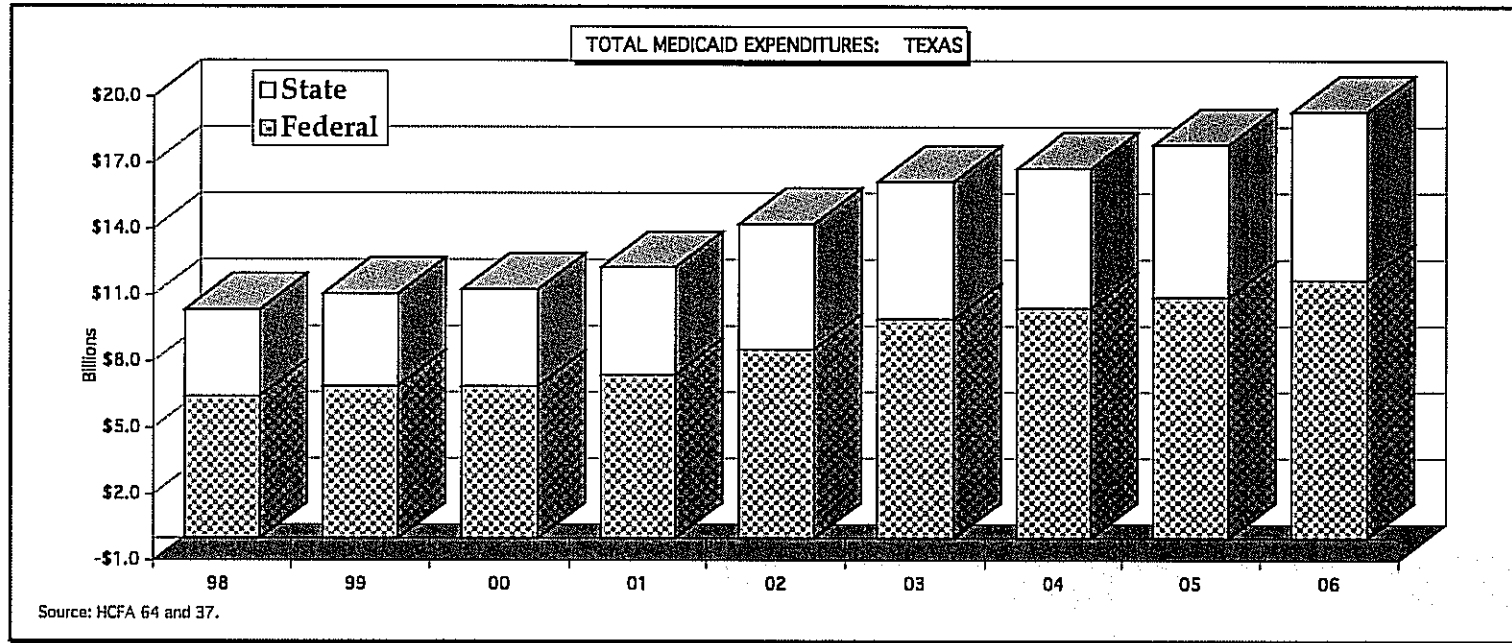
- The state expects to receive approximately \$4.78 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$895.7 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | TN | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$0 | 0.0% | \$1,813,423,000 | 4.6% |
| Health services | \$0 | 0.0% | \$11,824,057,000 | 29.9% |
| Long-term care | \$0 | 0.0% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$0 | 0.0% | \$7,636,209,000 | 19.3% |
| Other | \$895,660,000 | 100.0% | \$10,048,868,000 | 25.4% |
| Total | \$895,660,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|----------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|--------------------------|
| Medicaid Payments | \$9,776,932,593 | \$10,398,353,951 | \$10,643,772,061 | \$11,604,639,613 | \$13,530,826,351 | \$15,420,479,085 | \$16,077,695,030 | \$17,155,951,000 | \$18,642,930,000 | 8.4% | 90.7% |
| Federal Share | \$6,104,238,675 | \$6,516,178,649 | \$6,552,379,660 | \$7,050,331,820 | \$8,163,909,015 | \$9,490,380,707 | \$10,031,272,125 | \$10,532,235,000 | \$11,330,308,000 | 8.0% | 85.6% |
| State Share | \$3,672,693,918 | \$3,882,175,302 | \$4,091,392,401 | \$4,554,307,793 | \$5,366,917,336 | \$5,930,098,378 | \$6,046,422,905 | \$6,623,716,000 | \$7,312,622,000 | 9.0% | 99.1% |
| Administrative Costs | \$576,952,240 | \$667,216,364 | \$619,051,157 | \$656,595,682 | \$706,759,839 | \$749,960,111 | \$695,157,913 | \$689,278,000 | \$678,973,000 | 2.1% | 17.7% |
| Federal Share | \$319,762,855 | \$381,132,417 | \$337,690,078 | \$356,949,745 | \$385,752,228 | \$441,560,500 | \$389,375,329 | \$383,465,000 | \$377,765,000 | 2.1% | 18.1% |
| State Share | \$257,189,385 | \$286,083,947 | \$281,361,079 | \$299,645,937 | \$321,007,611 | \$308,399,611 | \$305,782,584 | \$305,813,000 | \$301,208,000 | 2.0% | 17.1% |
| Admin. Costs as % of Payments | 5.90% | 6.42% | 5.82% | 5.66% | 5.22% | 4.86% | 4.32% | 4.02% | 3.64% | | |
| Federal Match Rate* | 62.28% | 62.45% | 61.36% | 60.57% | 60.17% | 59.99% | 60.22% | 60.87% | 60.66% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

| STATE FINANCING | Payments | | Administration | |
|--------------------|-----------------|-----------------|----------------|---------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$3,672,693,918 | \$6,039,712,038 | \$257,189,385 | \$305,782,584 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$0 | \$0 | \$0 |
| Donations | \$0 | \$6,710,867 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$3,672,693,918 | \$6,046,422,905 | \$257,189,385 | \$305,782,584 |

*Donations from Outstationed Eligibility Workers Program

| Provider Taxes Currently in Place (FFY 04) | |
|--|--------|
| Tax Rate | Amount |
| NO PROVIDER TAXES | |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| General Hospitals | \$1,278,486,408 | \$1,142,184,571 | \$1,073,086,000 | \$1,015,303,172 | \$1,057,502,792 | \$954,235,533 | \$1,186,118,733 | \$1,179,249,000 | \$1,193,653,000 | 1.8% |
| Mental Hospitals | \$292,513,592 | \$292,400,774 | \$240,473,000 | \$223,024,783 | \$227,650,322 | \$229,339,250 | \$257,716,302 | \$286,076,000 | \$286,076,000 | 2.9% |
| Total | \$1,571,000,000 | \$1,434,585,345 | \$1,313,559,000 | \$1,238,327,955 | \$1,285,153,114 | \$1,183,574,783 | \$1,443,835,035 | \$1,465,325,000 | \$1,479,729,000 | 2.0% |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | \$751 | 57.5% |
| Payment Standard | \$188 | 14.4% |
| Maximum Payment | \$223 | 17.1% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | \$275 | |
| Resource Standard | \$2,000 | |
| Resource Standard-Aged / Disabled | \$3,000 | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and infants | | 185.0% |
| Children to age 5 | | 133.0% |
| Children age 6 to 18 | | 100.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

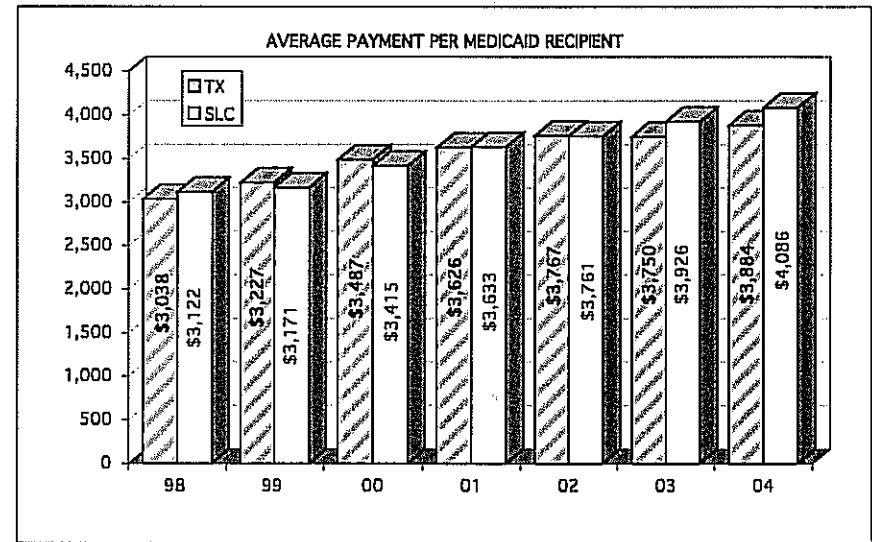
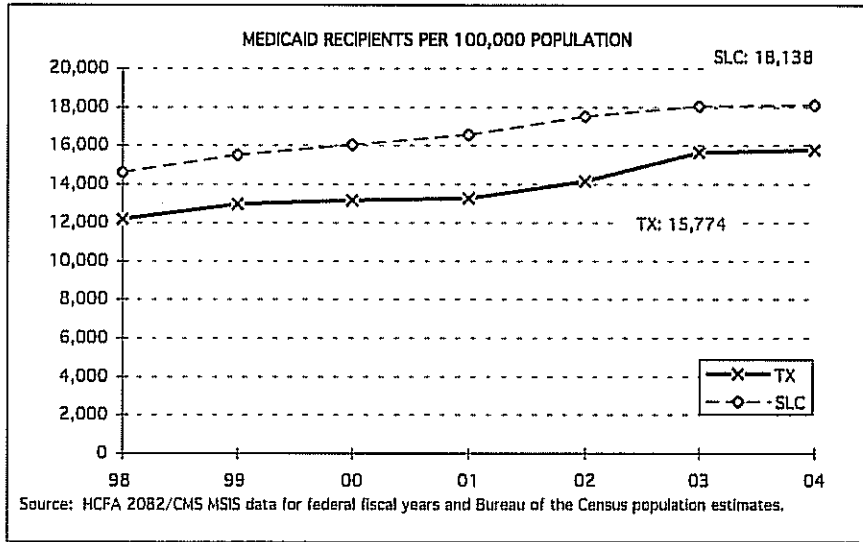
*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|-----------------|--------------|
| State population—July 1, 2004* | 22,490,022 | 2 |
| Per capita personal income** | \$30,222 | 32 |
| Median household income** | \$40,934 | 33 |
| Population below Federal Poverty Level on July 1, 2003* | 3,553,423 | |
| Percent of total state population | 15.8% | 6 |
| Population without health insurance coverage* | 5,374,000 | 2 |
| Percent of total state population | 23.9% | 1 |
| Recipients of Food Stamps*** | 2,329,550 | 1 |
| Households receiving Food Stamps*** | 890,153 | 1 |
| Total value of issuance*** | \$2,284,417,371 | 1 |
| Average monthly benefit per recipient | \$81.72 | 17 |
| Average monthly benefit per household | \$213.86 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 283,570 | 46 |
| Total TANF payments**** | \$213,542,202 | 41 |
| Average monthly payment per recipient | \$62.75 | 46 |
| Maximum monthly payment per family of 3 | \$188.00 | 47 |

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

| RECIPIENTS BY TYPE OF SERVICES | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| 01. General Hospital | 444,750 | 396,110 | 491,100 | 459,366 | 505,328 | 524,866 | 560,633 | 3.9% |
| 02. Mental Hospital | 0 | 6,364 | 7,838 | 5,590 | 6,871 | 7,033 | 7,460 | 3.2% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 88,522 | 95,812 | 95,230 | 97,384 | 112,195 | 126,159 | 133,959 | 7.1% |
| 04. Intermediate Care for Mentally Retarded | 13,935 | 13,827 | 14,090 | 13,969 | 13,527 | 13,081 | 14,126 | 0.2% |
| 05. Physician Services | 1,783,470 | 1,885,426 | 1,867,977 | 1,759,336 | 1,633,843 | 1,836,338 | 1,972,817 | 1.7% |
| 06. Dental Services | 7,026 | 617,985 | 648,887 | 672,609 | 800,166 | 1,007,153 | 1,054,738 | 130.5% |
| 07. Other Practitioners | 478,837 | 4,951 | 505,972 | 473,150 | 493,175 | 556,201 | 588,048 | 3.5% |
| 08. Outpatient Hospital | 1,011,359 | 941,835 | 959,741 | 859,496 | 744,982 | 835,081 | 902,932 | -1.9% |
| 09. Clinic Services | 267,969 | 287,727 | 286,422 | 258,236 | 254,034 | 275,204 | 295,861 | 1.7% |
| 10. Lab and X-Ray | 815,014 | 838,408 | 926,803 | 1,242,800 | 1,598,924 | 1,770,760 | 1,861,938 | 14.8% |
| 11. Home Health | 116,552 | 8,056 | 94,609 | 124,746 | 152,636 | 177,289 | 185,831 | 8.1% |
| 12. Prescribed Drugs | 1,894,447 | 1,853,536 | 1,852,801 | 1,917,351 | 2,153,316 | 2,475,742 | 2,475,742 | 4.6% |
| 13. Family Planning | 181,434 | 18,725 | 19,262 | 21,119 | 22,738 | 24,626 | 28,276 | -26.6% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 1,046,345 | 0 | 0 | 0 | 1,060,182 | 0 | 26,703 | -45.7% |
| 15. Other Care | 186,423 | 518,113 | 286,033 | 346,528 | 422,013 | 466,759 | 494,975 | 17.7% |
| 16. Personal Care Support Services | 209,980 | 164,363 | 343,084 | 313,208 | 330,560 | 369,035 | 390,968 | 10.9% |
| 17. Home/Community Based Waiver Services | 25,762 | 0 | 0 | 0 | 0 | 0 | 327 | -51.7% |
| 18. Prepaid Health Care | 0 | 520,222 | 726,596 | 851,560 | 1,036,216 | 1,240,733 | 1,296,197 | 20.0% |
| 19. Primary Care Case Management (PCCM) Services | 0 | 243,529 | 294,574 | 1,958 | 418,877 | 485,517 | 503,828 | 15.7% |
| Total* | 2,324,810 | 2,518,222 | 2,602,616 | 2,659,682 | 2,952,569 | 3,339,796 | 3,547,660 | 7.3% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| PAYMENTS BY TYPE OF SERVICES | | | | | | | | | Annual | Share of Total |
|---|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|--------|--------|----------------|
| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Change | FFY 04 | |
| 01. General Hospital | \$1,643,167,233 | \$1,326,163,356 | \$1,664,827,087 | \$1,821,796,697 | \$2,127,893,917 | \$2,319,999,313 | \$2,565,902,546 | 7.7% | 18.6% | |
| 02. Mental Hospital | \$0 | \$35,870,950 | \$42,666,675 | \$33,523,139 | \$50,069,021 | \$57,270,224 | \$61,263,842 | 11.3% | 0.4% | |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$1,384,415,773 | \$1,437,040,893 | \$1,575,060,537 | \$1,604,753,732 | \$1,803,710,704 | \$1,820,433,002 | \$2,033,629,142 | 6.6% | 14.8% | |
| 04. Intermediate Care for Mentally Retarded | \$728,574,336 | \$689,957,035 | \$839,351,663 | \$765,161,054 | \$810,581,046 | \$858,769,874 | \$962,300,031 | 4.7% | 7.0% | |
| 05. Physician Services | \$661,475,584 | \$937,196,510 | \$843,385,764 | \$760,315,233 | \$689,779,234 | \$796,174,746 | \$898,005,601 | 5.2% | 6.5% | |
| 06. Dental Services | \$2,165,089 | \$135,075,124 | \$154,644,785 | \$158,259,031 | \$207,353,103 | \$281,589,583 | \$299,364,429 | 127.4% | 2.2% | |
| 07. Other Practitioners | \$70,751,155 | \$301,821 | \$88,088,408 | \$86,357,097 | \$95,698,371 | \$113,357,367 | \$123,237,096 | 9.7% | 0.9% | |
| 08. Outpatient Hospital | \$446,493,014 | \$386,357,309 | \$451,246,016 | \$331,040,421 | \$234,561,780 | \$294,370,899 | \$342,712,725 | -4.3% | 2.5% | |
| 09. Clinic Services | \$52,613,253 | \$55,408,155 | \$103,757,356 | \$56,220,495 | \$61,588,767 | \$75,515,365 | \$83,513,732 | 8.0% | 0.6% | |
| 10. Lab and X-Ray | \$94,105,854 | \$62,176,712 | \$77,378,285 | \$237,107,417 | \$462,274,801 | \$541,879,779 | \$575,586,389 | 35.2% | 4.2% | |
| 11. Home Health | \$98,543,991 | \$68,245,666 | \$172,485,103 | \$203,975,224 | \$279,228,444 | \$318,157,925 | \$342,261,884 | 23.1% | 2.5% | |
| 12. Prescribed Drugs | \$817,591,112 | \$952,419,862 | \$1,125,238,856 | \$1,327,222,456 | \$1,591,828,224 | \$1,921,877,468 | \$2,089,738,899 | 16.9% | 15.2% | |
| 13. Family Planning | \$40,544,186 | \$14,187,285 | \$14,222,275 | \$22,893,809 | \$29,768,817 | \$32,266,238 | \$36,338,294 | -1.8% | 0.3% | |
| 14. Early & Periodic Screening, Diagnosis & Treatment* | \$338,681,191 | \$0 | \$0 | \$0 | \$0 | \$0 | \$15,306,260 | -40.3% | 0.1% | |
| 15. Other Care | \$53,173,074 | \$988,770,560 | \$977,638,786 | \$1,060,580,092 | \$1,204,041,493 | \$1,398,692,827 | \$1,506,218,412 | 74.6% | 10.9% | |
| 16. Personal Care Support Services | \$425,887,769 | \$186,413,300 | \$302,479,378 | \$316,449,739 | \$325,774,296 | \$387,597,146 | \$434,327,671 | 3.2% | 3.2% | |
| 17. Home/Community Based Waiver Services | \$203,678,629 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,204,993 | -40.3% | 0.1% | |
| 18. Prepaid Health Care | \$0 | \$615,598,443 | \$634,466,433 | \$851,313,187 | \$1,137,787,529 | \$1,295,382,939 | \$1,383,512,534 | 17.6% | 10.0% | |
| 19. Primary Case Management (PCCM) Services | \$0 | \$234,642,837 | \$8,368,179 | \$7,631,535 | \$9,080,493 | \$11,191,638 | \$17,124,364 | -40.8% | 0.1% | |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$7,061,861,243 | \$8,125,825,818 | \$9,075,305,586 | \$9,644,600,358 | \$11,121,020,040 | \$12,524,526,333 | \$13,779,548,844 | 11.8% | 100.0% | |

*Expenditures for FFY 96-FFY 02 revised 8/01/03

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | | (+) or (-) SL |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|---------------|
| | Avg. FFY 04 | | | | | | | | |
| 01. General Hospital | \$3,694.59 | \$3,347.97 | \$3,390.00 | \$3,965.89 | \$4,210.92 | \$4,420.17 | \$4,576.80 | 3.6% | -6.2% |
| 02. Mental Hospital | \$0.00 | \$5,636.54 | \$5,443.57 | \$5,996.98 | \$7,287.01 | \$8,143.07 | \$8,212.31 | 7.8% | -53.2% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$15,639.23 | \$14,998.55 | \$16,539.54 | \$16,478.62 | \$16,076.57 | \$14,429.67 | \$15,180.98 | -0.5% | -30.4% |
| 04. Intermediate Care for Mentally Retarded | \$52,283.77 | \$49,899.26 | \$59,570.74 | \$54,775.65 | \$59,923.19 | \$65,650.17 | \$68,122.61 | 4.5% | -18.1% |
| 05. Physician Services | \$370.89 | \$497.07 | \$451.50 | \$432.16 | \$422.18 | \$433.57 | \$455.19 | 3.5% | -14.4% |
| 06. Dental Services | \$308.15 | \$218.57 | \$238.32 | \$235.29 | \$259.14 | \$279.59 | \$283.83 | -1.4% | -14.4% |
| 07. Other Practitioners | \$147.76 | \$60.96 | \$174.10 | \$182.52 | \$194.05 | \$203.81 | \$209.57 | 6.0% | 18.6% |
| 08. Outpatient Hospital | \$441.48 | \$410.22 | \$470.17 | \$385.16 | \$314.86 | \$352.51 | \$379.56 | -2.5% | -36.0% |
| 09. Clinic Services | \$196.34 | \$192.57 | \$362.25 | \$217.71 | \$242.44 | \$274.40 | \$282.27 | 6.2% | -61.5% |
| 10. Lab and X-Ray | \$115.47 | \$74.16 | \$83.49 | \$190.78 | \$289.12 | \$306.02 | \$309.13 | 17.8% | 69.0% |
| 11. Home Health | \$845.49 | \$8,471.41 | \$1,823.14 | \$1,635.12 | \$1,829.37 | \$1,794.57 | \$1,841.79 | 13.9% | -11.8% |
| 12. Prescribed Drugs | \$431.57 | \$513.84 | \$607.32 | \$692.22 | \$739.25 | \$776.28 | \$844.09 | 11.8% | -37.3% |
| 13. Family Planning | \$223.47 | \$757.67 | \$738.36 | \$1,084.04 | \$1,309.21 | \$1,310.25 | \$1,285.13 | 33.9% | 80.7% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$323.68 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$573.20 | 10.0% | 34.1% |
| 15. Other Care | \$285.23 | \$1,908.41 | \$3,417.92 | \$3,060.59 | \$2,853.09 | \$2,996.61 | \$3,043.02 | 48.4% | 51.7% |
| 16. Personal Care Support Services | \$2,028.23 | \$1,134.16 | \$922.37 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | -100.0% | -100.0% |
| 17. Home/Community Based Waiver Services | \$7,906.17 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$28,149.83 | 23.6% | 809.8% |
| 18. Prepaid Health Care | \$0.00 | \$1,183.34 | \$873.20 | \$999.71 | \$1,098.02 | \$1,044.05 | \$1,067.36 | -2.0% | -10.1% |
| 19. Primary Case Management (PCCM) Services | \$0.00 | \$963.51 | \$28.41 | \$3,897.62 | \$21.68 | \$23.05 | \$33.99 | -48.8% | 10.4% |
| Total (Average) | \$3,037.61 | \$3,226.81 | \$3,486.99 | \$3,626.22 | \$3,766.56 | \$3,750.09 | \$3,884.12 | 4.2% | -4.9% |

| | | | | | | | | | |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|------|--------|
| TOTAL PER CAPITA EXPENDITURES | \$542.34 | \$570.81 | \$569.99 | \$611.71 | \$682.80 | \$758.28 | \$745.79 | 5.5% | -14.9% |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|------|--------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 917,603 | 847,938 | 850,168 | 846,443 | 861,940 | 829,060 | 894,384 | -0.4% | 25.2% |
| Poverty Related Eligibles | 903,813 | 1,024,328 | 1,065,782 | 1,115,671 | 1,376,166 | 1,711,029 | 1,802,260 | 12.2% | 50.8% |
| Medically Needy | 38,247 | 31,805 | 38,795 | 45,428 | 59,787 | 78,219 | 81,924 | 13.5% | 2.3% |
| Other Eligibles | 465,147 | 466,605 | 447,772 | 458,345 | 502,201 | 577,598 | 614,584 | 4.8% | 17.3% |
| Maintenance Assistance Status Unknown | 0 | 147,446 | 200,099 | 193,795 | 152,475 | 143,890 | 154,508 | 0.9% | 4.4% |
| Total* | 2,324,810 | 2,518,222 | 2,602,616 | 2,659,682 | 2,952,569 | 3,339,796 | 3,547,660 | 7.3% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 589,661 | 609,366 | 605,536 | 604,310 | 762,848 | 615,222 | 663,227 | 2.0% | 18.7% |
| Children | 1,327,276 | 1,348,414 | 1,373,457 | 1,418,218 | 1,620,539 | 2,019,147 | 2,134,592 | 8.2% | 60.2% |
| Foster Care Children | 16,087 | 23,733 | 27,062 | 29,364 | 34,544 | 35,075 | 37,178 | 15.0% | 1.0% |
| Adults | 391,786 | 389,263 | 396,462 | 413,995 | 534,638 | 526,001 | 559,621 | 6.1% | 15.8% |
| Basis of Eligibility Unknown | 0 | 147,446 | 200,099 | 193,795 | 0 | 144,351 | 153,042 | 0.7% | 4.1% |
| Total* | 2,324,810 | 2,518,222 | 2,602,616 | 2,659,682 | 2,952,569 | 3,339,796 | 3,547,660 | 7.3% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 144,065 | 149,086 | 161,218 | 240,016 | 195,738 | 204,070 | 217,940 | 7.1% | 6.1% |
| Age 1 to 5 | 558,876 | 552,865 | 559,641 | 586,226 | 697,442 | 830,961 | 878,954 | 7.8% | 24.8% |
| Age 6 to 14 | 574,293 | 580,219 | 578,162 | 559,181 | 697,132 | 842,613 | 891,184 | 7.6% | 25.1% |
| Age 15 to 20 | 179,470 | 232,906 | 246,509 | 237,689 | 295,640 | 349,227 | 368,767 | 12.8% | 10.4% |
| Age 21 to 44 | 417,767 | 396,133 | 401,572 | 397,111 | 472,848 | 513,270 | 546,212 | 4.6% | 15.4% |
| Age 45 to 64 | 148,914 | 153,136 | 156,634 | 161,800 | 168,753 | 181,960 | 194,271 | 4.5% | 5.5% |
| Age 65 to 74 | 122,019 | 123,388 | 121,638 | 121,596 | 107,752 | 107,795 | 116,722 | -0.7% | 3.1% |
| Age 75 to 84 | 103,321 | 106,291 | 103,964 | 99,437 | 98,860 | 100,878 | 108,645 | 0.8% | 3.1% |
| Age 85 and Over | 76,084 | 76,743 | 73,176 | 62,831 | 65,928 | 65,129 | 70,452 | -1.3% | 2.0% |
| Age Unknown | 1 | 147,455 | 200,102 | 193,795 | 152,476 | 143,893 | 154,513 | 632.5% | 4.4% |
| Total* | 2,324,810 | 2,518,222 | 2,602,616 | 2,659,682 | 2,952,569 | 3,339,796 | 3,547,660 | 7.3% | 100.0% |
| By Race | | | | | | | | | |
| White | 645,978 | 690,907 | 714,222 | 730,053 | 723,285 | 819,053 | 873,860 | 5.2% | 24.6% |
| Black | 458,055 | 487,805 | 504,275 | 515,455 | 533,579 | 596,194 | 635,432 | 5.6% | 17.9% |
| Hispanic, American Indian or Asian | 1,149,293 | 1,268,790 | 1,311,004 | 1,339,437 | 1,513,063 | 1,751,325 | 1,856,957 | 8.3% | 52.3% |
| Other/Unknown | 71,484 | 70,720 | 73,115 | 74,737 | 182,642 | 173,224 | 181,411 | 16.8% | 5.1% |
| Total* | 2,324,810 | 2,518,222 | 2,602,616 | 2,659,682 | 2,952,569 | 3,339,796 | 3,547,660 | 7.3% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 1,414,555 | 1,519,533 | 1,570,900 | 1,605,591 | 1,657,274 | 1,864,814 | 1,986,922 | 5.8% | 56.0% |
| Male | 910,233 | 993,372 | 1,026,342 | 1,048,658 | 1,142,798 | 1,331,058 | 1,412,852 | 7.6% | 39.8% |
| Unknown | 22 | 5,317 | 5,374 | 5,433 | 152,497 | 143,924 | 147,886 | 334.4% | 4.2% |
| Total* | 2,324,810 | 2,518,222 | 2,602,616 | 2,659,682 | 2,952,569 | 3,339,796 | 3,547,660 | 7.3% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,129,651,326 | \$3,454,276,260 | \$3,981,942,467 | \$4,156,474,616 | \$4,605,276,710 | \$4,995,238,179 | \$5,525,630,380 | 9.9% | 40.1% |
| Poverty Related Eligibles | \$1,013,187,235 | \$1,239,768,586 | \$1,337,991,819 | \$1,469,040,409 | \$2,019,022,693 | \$2,521,058,766 | \$2,730,401,010 | 18.0% | 19.8% |
| Medically Needy | \$124,460,966 | \$83,337,665 | \$123,185,260 | \$162,440,892 | \$216,062,059 | \$291,098,832 | \$312,917,929 | 16.6% | 2.3% |
| Other Eligibles | \$2,794,561,713 | \$3,201,836,270 | \$3,428,670,184 | \$3,631,911,414 | \$4,137,558,144 | \$4,537,505,028 | \$5,011,401,034 | 10.2% | 36.4% |
| Maintenance Assistance Status Unknown | \$3 | \$146,607,037 | \$203,515,856 | \$224,733,027 | \$143,100,434 | \$179,625,528 | \$199,198,491 | 1916.0% | 1.4% |
| Total* | \$7,061,861,243 | \$8,125,825,818 | \$9,075,305,586 | \$9,644,600,358 | \$11,121,020,040 | \$12,524,526,333 | \$13,779,548,844 | 11.8% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$3,129,651,326 | \$5,371,322,978 | \$6,108,888,216 | \$6,260,647,062 | \$6,919,597,956 | \$7,582,885,692 | \$8,354,240,709 | 17.8% | 60.0% |
| Children | \$1,013,187,235 | \$1,578,965,373 | \$1,646,523,165 | \$1,936,943,993 | \$2,552,870,922 | \$3,053,129,496 | \$3,310,043,345 | 21.8% | 24.0% |
| Foster Care Children | \$124,460,966 | \$114,045,806 | \$156,434,965 | \$184,882,555 | \$225,951,005 | \$257,228,725 | \$280,408,937 | 14.5% | 2.0% |
| Adults | \$2,794,561,713 | \$914,884,624 | \$959,943,384 | \$1,037,393,721 | \$1,279,499,723 | \$1,446,076,050 | \$1,629,954,823 | -8.6% | 11.8% |
| Basis of Eligibility Unknown | \$3 | \$146,607,037 | \$203,515,856 | \$224,733,027 | \$143,100,434 | \$185,206,370 | \$204,901,030 | 1921.8% | 1.5% |
| Total* | \$7,061,861,243 | \$8,125,825,818 | \$9,075,305,586 | \$9,644,600,358 | \$11,121,020,040 | \$12,524,526,333 | \$13,779,548,844 | 11.8% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$424,137,434 | \$450,690,626 | \$481,534,957 | \$779,690,671 | \$753,846,092 | \$814,168,610 | \$894,940,732 | 13.3% | 6.5% |
| Age 1 to 5 | \$674,450,883 | \$801,566,001 | \$825,057,094 | \$910,053,507 | \$1,290,191,014 | \$1,546,740,655 | \$1,678,626,604 | 16.4% | 12.2% |
| Age 6 to 14 | \$517,892,714 | \$670,076,592 | \$741,734,172 | \$785,042,189 | \$1,006,959,263 | \$1,252,539,847 | \$1,361,009,849 | 17.5% | 9.9% |
| Age 15 to 20 | \$406,392,800 | \$526,600,438 | \$569,428,451 | \$618,486,582 | \$730,054,921 | \$837,569,184 | \$918,002,523 | 14.5% | 6.7% |
| Age 21 to 44 | \$1,585,440,469 | \$1,758,038,398 | \$1,961,677,868 | \$1,999,108,338 | \$2,334,313,199 | \$2,581,617,842 | \$2,848,095,420 | 10.3% | 20.7% |
| Age 45 to 64 | \$1,137,136,536 | \$1,261,573,423 | \$1,540,256,466 | \$1,641,515,451 | \$1,893,963,580 | \$2,169,154,217 | \$2,379,445,694 | 13.1% | 17.3% |
| Age 65 to 74 | \$613,917,500 | \$677,717,904 | \$756,574,445 | \$774,716,403 | \$798,643,705 | \$863,248,954 | \$961,046,377 | 7.8% | 7.0% |
| Age 75 to 84 | \$802,047,424 | \$873,536,760 | \$960,844,411 | \$984,384,163 | \$1,078,428,531 | \$1,167,423,904 | \$1,295,354,317 | 8.3% | 9.4% |
| Age 85 and Over | \$900,444,496 | \$959,401,954 | \$1,034,680,461 | \$926,870,027 | \$1,091,519,175 | \$1,112,435,415 | \$1,243,826,194 | 5.5% | 9.0% |
| Age Unknown | \$986 | \$146,623,722 | \$203,517,261 | \$224,733,027 | \$143,100,560 | \$179,627,705 | \$199,201,134 | 666.0% | 1.4% |
| Total* | \$7,061,861,243 | \$8,125,825,818 | \$9,075,305,586 | \$9,644,600,358 | \$11,121,020,040 | \$12,524,526,333 | \$13,779,548,844 | 11.8% | 100.0% |
| By Race | | | | | | | | | |
| White | \$3,202,123,927 | \$3,623,853,179 | \$4,042,074,489 | \$4,294,220,084 | \$4,601,981,581 | \$5,045,563,598 | \$5,586,574,549 | 9.7% | 40.5% |
| Black | \$1,251,258,881 | \$1,487,478,219 | \$1,660,264,025 | \$1,764,032,001 | \$1,949,103,828 | \$2,179,461,567 | \$2,403,883,518 | 11.5% | 17.4% |
| Hispanic, American Indian or Asian | \$2,299,565,307 | \$2,714,023,858 | \$3,033,913,002 | \$3,224,137,992 | \$4,196,467,229 | \$4,879,812,837 | \$5,323,526,216 | 15.0% | 38.6% |
| Other/ Unknown | \$308,913,128 | \$300,470,562 | \$339,054,070 | \$362,210,281 | \$373,467,402 | \$419,688,331 | \$465,564,561 | 7.1% | 3.4% |
| Total* | \$7,061,861,243 | \$8,125,825,818 | \$9,075,305,586 | \$9,644,600,358 | \$11,121,020,040 | \$12,524,526,333 | \$13,779,548,844 | 11.8% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$4,462,108,203 | \$5,042,670,151 | \$5,635,630,359 | \$5,991,727,193 | \$6,656,901,918 | \$7,406,124,450 | \$8,173,601,627 | 10.6% | 59.3% |
| Male | \$2,599,680,626 | \$3,070,937,470 | \$3,426,469,527 | \$3,639,119,970 | \$4,320,985,259 | \$4,938,507,941 | \$5,418,153,360 | 13.0% | 39.3% |
| Unknown | \$72,413 | \$12,218,197 | \$13,205,700 | \$143,132,863 | \$179,893,942 | \$187,793,857 | \$187,793,857 | 270.7% | 1.4% |
| Total* | \$7,061,861,243 | \$8,125,825,818 | \$9,075,305,586 | \$9,644,600,358 | \$11,121,020,040 | \$12,524,526,333 | \$13,779,548,844 | 11.8% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,410.68 | \$4,073.74 | \$4,683.71 | \$4,910.52 | \$5,342.92 | \$6,025.18 | \$6,178.14 | 10.4% | 0.2% |
| Poverty Related Eligibles | \$1,121.01 | \$1,210.21 | \$1,255.41 | \$1,316.73 | \$1,467.14 | \$1,473.42 | \$1,514.99 | 5.1% | -15.8% |
| Medically Needy | \$3,254.14 | \$2,620.27 | \$3,175.29 | \$3,575.79 | \$3,613.86 | \$3,721.59 | \$3,819.61 | 2.7% | -39.7% |
| Other Eligibles | \$6,007.91 | \$6,861.98 | \$7,657.18 | \$7,923.97 | \$8,238.85 | \$7,855.82 | \$8,154.14 | 5.2% | 13.8% |
| Maintenance Assistance Status Unknown | \$0.00 | \$994.31 | \$1,017.08 | \$1,159.64 | \$938.52 | \$1,248.35 | \$1,289.24 | 5.3% | -47.9% |
| Total | \$3,037.61 | \$3,226.81 | \$3,486.99 | \$3,626.22 | \$3,766.56 | \$3,750.09 | \$3,884.12 | 4.2% | -4.9% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$5,307.54 | \$8,814.61 | \$10,088.40 | \$10,359.99 | \$9,070.74 | \$12,325.45 | \$12,596.35 | 15.5% | 15.1% |
| Children | \$763.36 | \$1,170.98 | \$1,198.82 | \$1,365.76 | \$1,575.32 | \$1,512.09 | \$1,550.67 | 12.5% | 8.1% |
| Foster Care Children | \$7,736.74 | \$4,805.37 | \$5,780.61 | \$6,296.23 | \$6,540.96 | \$7,333.68 | \$7,542.34 | -0.4% | 11.4% |
| Adults | \$7,132.88 | \$2,350.30 | \$2,421.27 | \$2,505.81 | \$2,393.21 | \$2,749.19 | \$2,912.60 | -13.9% | 10.8% |
| Basis of Eligibility Unknown | \$0.00 | \$994.31 | \$1,017.08 | \$1,159.64 | \$0.00 | \$1,283.03 | \$1,338.85 | 6.1% | -46.1% |
| Total | \$3,037.61 | \$3,226.81 | \$3,486.99 | \$3,626.22 | \$3,766.56 | \$3,750.09 | \$3,884.12 | 4.2% | -4.9% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,944.07 | \$3,023.02 | \$2,986.86 | \$3,248.49 | \$3,851.30 | \$3,989.65 | \$4,106.36 | 5.7% | 17.1% |
| Age 1 to 5 | \$1,206.80 | \$1,449.84 | \$1,474.26 | \$1,552.39 | \$1,849.89 | \$1,861.39 | \$1,909.80 | 8.0% | 9.2% |
| Age 6 to 14 | \$901.79 | \$1,154.87 | \$1,282.92 | \$1,403.91 | \$1,444.43 | \$1,486.49 | \$1,527.19 | 9.2% | -7.4% |
| Age 15 to 20 | \$2,264.41 | \$2,261.00 | \$2,309.97 | \$2,602.08 | \$2,469.41 | \$2,398.35 | \$2,489.38 | 1.6% | -3.7% |
| Age 21 to 44 | \$3,795.04 | \$4,438.00 | \$4,885.00 | \$5,034.13 | \$4,936.71 | \$5,029.75 | \$5,214.27 | 5.4% | 5.4% |
| Age 45 to 64 | \$7,636.20 | \$8,238.26 | \$9,833.47 | \$10,145.34 | \$11,223.29 | \$11,921.05 | \$12,248.07 | 8.2% | 29.4% |
| Age 65 to 74 | \$5,031.33 | \$5,492.58 | \$6,219.89 | \$6,371.23 | \$7,411.87 | \$8,008.25 | \$8,233.64 | 8.6% | 7.5% |
| Age 75 to 84 | \$7,762.68 | \$8,218.35 | \$9,242.09 | \$9,899.58 | \$10,908.64 | \$11,572.63 | \$11,922.82 | 7.4% | 7.7% |
| Age 85 and Over | \$11,834.87 | \$12,501.49 | \$14,139.61 | \$14,751.79 | \$16,556.23 | \$17,080.49 | \$17,654.95 | 6.9% | 5.5% |
| Age Unknown | \$986.10 | \$994.36 | \$1,017.07 | \$1,159.64 | \$938.51 | \$1,248.34 | \$1,289.22 | 4.6% | -52.1% |
| Total | \$3,037.61 | \$3,226.81 | \$3,486.99 | \$3,626.22 | \$3,766.56 | \$3,750.09 | \$3,884.12 | 4.2% | -4.9% |
| By Race | | | | | | | | | |
| White | \$4,957.02 | \$5,245.07 | \$5,659.41 | \$5,882.07 | \$6,362.61 | \$6,160.24 | \$6,392.99 | 4.3% | 26.2% |
| Black | \$2,731.68 | \$3,049.33 | \$3,292.38 | \$3,422.28 | \$3,652.89 | \$3,655.62 | \$3,783.07 | 5.6% | 11.8% |
| Hispanic, American Indian or Asian | \$2,000.85 | \$2,139.06 | \$2,314.19 | \$2,407.08 | \$2,773.49 | \$2,786.35 | \$2,866.80 | 6.2% | 8.4% |
| Other/Unknown | \$4,321.43 | \$4,248.74 | \$4,637.27 | \$4,846.47 | \$2,044.81 | \$2,422.81 | \$2,566.35 | -8.3% | -42.4% |
| Total | \$3,037.61 | \$3,226.81 | \$3,486.99 | \$3,626.22 | \$3,766.56 | \$3,750.09 | \$3,884.12 | 4.2% | -4.9% |
| By Sex | | | | | | | | | |
| Female | \$3,154.43 | \$3,318.57 | \$3,587.52 | \$3,731.79 | \$4,016.78 | \$3,971.51 | \$4,113.70 | 4.5% | -2.5% |
| Male | \$2,856.06 | \$3,091.43 | \$3,338.53 | \$3,470.26 | \$3,781.06 | \$3,710.21 | \$3,834.91 | 5.0% | -5.7% |
| Unknown | \$3,291.52 | \$2,297.95 | \$2,457.33 | \$2,531.42 | \$938.59 | \$1,249.92 | \$1,269.86 | -14.7% | -52.1% |
| Total | \$3,037.61 | \$3,226.81 | \$3,486.99 | \$3,626.22 | \$3,766.56 | \$3,750.09 | \$3,884.12 | 4.2% | -4.9% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

Texas has seven waiver sites operating under the provisions of Title XIX, Section 1915 (b), of the Social Security Act as follows:

- (1) Southeast Region: PCCM model, effective December 1, 1995; serves approximately 38,285 recipients.
- (2) Travis County service delivery area: HMO model, effective September 1, 1996; serves approximately 75,468 recipients.
- (3) Bexar County service delivery area: HMO and PCCM model, effective October 1, 1996; serves approximately 153,385
- (4) Lubbock County service delivery area: HMO and PCCM model, effective October 1, 1996; serves approximately 31,887.
- (5) Tarrant County service delivery area: HMO model, effective October 1, 1996; serves approximately 121,646.
- (6) Harris County service delivery area: HMO and PCCM model, effective December 1, 1997; serves approximately 351,085 (STAR) and 64,604 (STAR+PLUS).
- (7) Dallas service district area: HMO model, effective July 1, 1999; serves approximately 210,156.
- (8) El Paso service delivery area: HMO, PHP, and PCCM model effective December, 1999; serves approximately 97,793.
- NorthSTAR (Behavioral Health Waiver): A Medicaid pilot project designed to create a single, seamless system of public behavioral health care in which both chemical dependency and mental health services will be provided (only for Dallas area recipients). The waiver was approved September 10, 1999, serves 516,813.

In addition, Texas has a number of Home and Community Based Service Waivers, under Section 1915 (c), which enables the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Elderly and Disabled: Community Based Alternatives (CBA) program serves approximately 27,664 clients over the age of 21. Operating since September 1, 1993.
- Mental Retardation/Developmental Disabilities and Mental Retardation-Related: Four waivers, serving approximately 10,348 clients of all ages, with the first waiver operating since September 1, 1985
- Medically Dependent Children Under Age 21: Serves 979 people, operating since July 1, 1988.
- Developmental Disabilities: This waiver services approximately 143 clients over age 18 who are deaf-blind and have multiple disabilities.

Managed Care

- State of Texas Access Reform (STAR): The STAR program, the state's managed care program, serves approximately 1,144,309 Medicaid recipients statewide.
- STAR+Plus: The state's Medicaid pilot project designed to integrate delivery of acute care and long-term care services through a managed care system. The project, effective December, 1997, serves approximately 64,604 aged and disabled Medicaid recipients in the Houston area.
- Significant Traditional Provider Requirement: All HMOs are required to make a good faith effort to include providers who have traditionally served the Medicaid population in a service district area in their provider networks.

Coverage for Targeted Population

- In 2003, the Texas Legislature directed the state to consolidate eligibility determination functions in the Health and Human Services Commission (HHSC) and establish call centers operated by the state or a vendor, whichever is most cost effective. HHSC determined call centers operated by a vendor would be most cost effective, and awarded a contract June 30, 2005. Phased rollouts are scheduled to begin January 2006.

Cost Containment Measures

- In 2003, the Texas Legislature passed provisions that eliminated the following services for Medicaid clients age 21 years and older:
 1. Eyeglasses and contact lenses.
 2. Hearing aids.
 3. Services provided by a Licensed Psychologist, Licensed Marriage and Family Therapist, Licensed Master Social worker -

SOUTHERN REGION MEDICAID PROFILE

Cost Containment Measures (Continued)

4. Advanced Clinical Practitioner, and Licensed Professional Counselor.
5. Podiatrist.
6. Chiropractor.

Medicaid

- 23 optional services are offered.
- Urban county hospital districts contribute funding to match federal disproportionate share funds, approximately \$336.1 million in SFY 2003; and \$341.4 million in SFY 2004.
- Health and Human Service Commission (HHSC) implemented the Breast and Cervical Cancer Treatment Act on December 1, 2002. In calendar years 2003 and 2004, approximately 620 and 539 women respectively were found Medicaid eligible under the Treatment Act.
- Due to cost saving measures set by the Texas 78th Legislature, Medicaid provider rates received a 2.5% rate cut for FY 2004 – FY 2005 biennium.

Children's Health Insurance Program: Medicaid Expansion

- The Texas Children's Health Insurance Program (Phase 1) received HCFA approval on June 15, 1998. The state plan is an expansion of Medicaid and provides health care coverage to children/adolescents age 15 to 18 in families with incomes up to 100% of the FPL. The second phase of the program projects expansion of Medicaid coverage for children/adolescents age 1-19 up to 200% of the FPL.
- TexCare, the CHIP in Texas, provides a benefit package the same as regular Medicaid to eligible individuals. The plan currently serves approximately 726,428 individuals.
- TexCare provides for cost sharing by covered individuals as follows:
 - 100%-150% pay an annual enrollment fee of \$15
 - 151-185% pay a monthly premium of \$20
 - 186%-200% pay a monthly premium of \$25
- Additional cost sharing provisions as follows:
 - \$3 to \$10 for office visits
 - \$3 to \$50 for emergency room visits
 - \$3 to \$5 for generic drugs
 - \$3 to \$20 for brand name drugs
 - \$10 to \$100 for inpatient hospital stays
- The 78th Legislature instituted the following for the FY 2004-2005 biennium:
 1. Maintained income eligibility at 200% of FPL.
 2. Eliminated deductions to income so that eligibility is based on gross income.
 3. Restricted eligibility to families at or above 150% FPL to those with assets within allowable levels.
 4. Allowed establishment of cost-sharing at federal maximum levels.
 5. Changed the term of coverage (continuous eligibility period) from 12 to 6 months.
 6. Established a 90-day waiting period between eligibility determination and coverage.
 7. Reduced provider payment rates by 5%. However, that decrease was partially restored to a 2.5% decrease.
 8. Limited the benefits package to coverage of basic health services.

SOUTHERN REGION MEDICAID PROFILE

Children's Health Insurance Program: Medicaid Expansion (Continued)

•Discontinued benefits include: most behavioral health services; dental services; hospice care services; skilled nursing facilities; tobacco cessation programs; vision (including eyeglasses and exams) and chiropractic services.

Tobacco Settlement

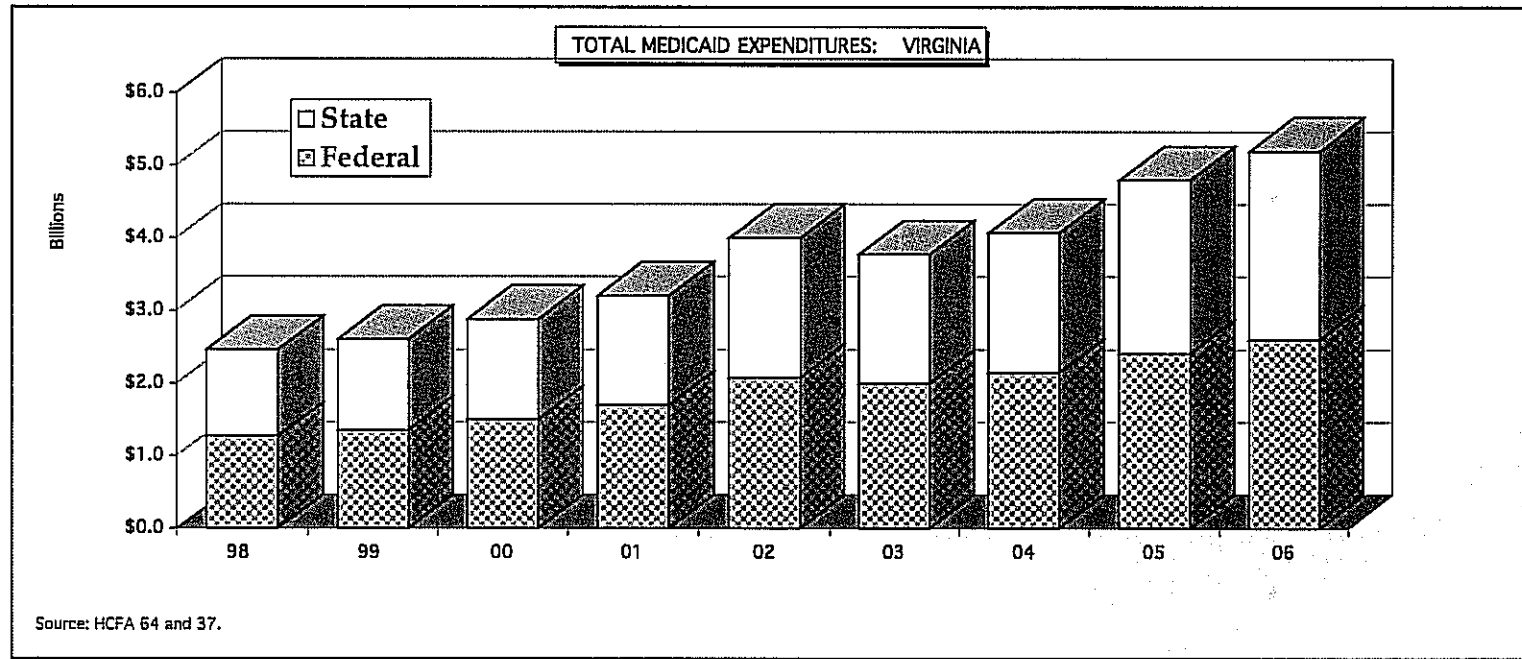
- The state expects to receive approximately \$17.3 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$2.08 billion.
- The state has allocated these funds and compares with the U.S. as follows:

| | TX | % | U.S. | % |
|--------------------------------|-----------------|--------|------------------|--------|
| Tobacco use prevention | \$43,994,000 | 2.1% | \$1,813,423,000 | 4.6% |
| Health services | \$1,755,743,000 | 84.3% | \$11,824,057,000 | 29.9% |
| Long-term care | \$106,829,000 | 5.1% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |
| Education | \$175,600,000 | 8.4% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$0 | 0.0% | \$7,636,209,000 | 19.3% |
| Other | \$0 | 0.0% | \$10,048,868,000 | 25.4% |
| Total | \$2,082,166,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|--------------------|
| Medicaid Payments | \$2,343,757,339 | \$2,477,370,906 | \$2,728,848,408 | \$3,036,846,387 | \$3,812,974,394 | \$3,546,523,934 | \$3,825,216,022 | \$4,544,176,000 | \$4,913,993,000 | 9.7% | 109.7% |
| Federal Share | \$1,208,808,080 | \$1,285,612,965 | \$1,416,141,298 | \$1,609,651,633 | \$1,970,610,963 | \$1,869,950,793 | \$2,015,926,926 | \$2,276,396,000 | \$2,456,996,000 | 9.3% | 103.3% |
| State Share | \$1,134,949,259 | \$1,191,757,941 | \$1,312,707,110 | \$1,427,194,754 | \$1,842,363,431 | \$1,676,573,141 | \$1,809,289,096 | \$2,267,780,000 | \$2,456,997,000 | 10.1% | 116.5% |
| Administrative Costs | \$118,333,750 | \$126,088,305 | \$147,814,821 | \$164,701,821 | \$187,346,225 | \$226,683,382 | \$245,400,541 | \$256,259,000 | \$282,435,000 | 11.5% | 138.7% |
| Federal Share | \$65,843,598 | \$69,518,715 | \$80,346,985 | \$91,978,257 | \$107,612,082 | \$126,857,855 | \$132,460,212 | \$135,037,000 | \$148,393,000 | 10.7% | 125.4% |
| State Share | \$52,490,152 | \$56,569,590 | \$67,467,836 | \$72,723,564 | \$79,734,143 | \$99,825,527 | \$112,940,329 | \$121,222,000 | \$134,042,000 | 12.4% | 155.4% |
| Admin. Costs as % of Payments | 5.05% | 5.09% | 5.42% | 5.42% | 4.91% | 6.39% | 6.42% | 5.64% | 5.75% | | |
| Federal Match Rate* | 51.49% | 51.60% | 51.67% | 51.85% | 51.45% | 50.53% | 50.00% | 50.00% | 50.00% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

| STATE FINANCING | Payments | | Administration | |
|---------------------|-----------------|-----------------|----------------|---------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund* | \$1,134,949,259 | \$1,809,289,096 | \$52,490,152 | \$112,940,329 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$0 | \$0 | \$0 |
| Donations | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$1,134,949,259 | \$1,809,289,096 | \$52,490,152 | \$112,940,329 |

| Provider Taxes Currently in Place (FFY 04) | Amount |
|--|--------|
| Tax Rate | |
| NO PROVIDER TAXES | |

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

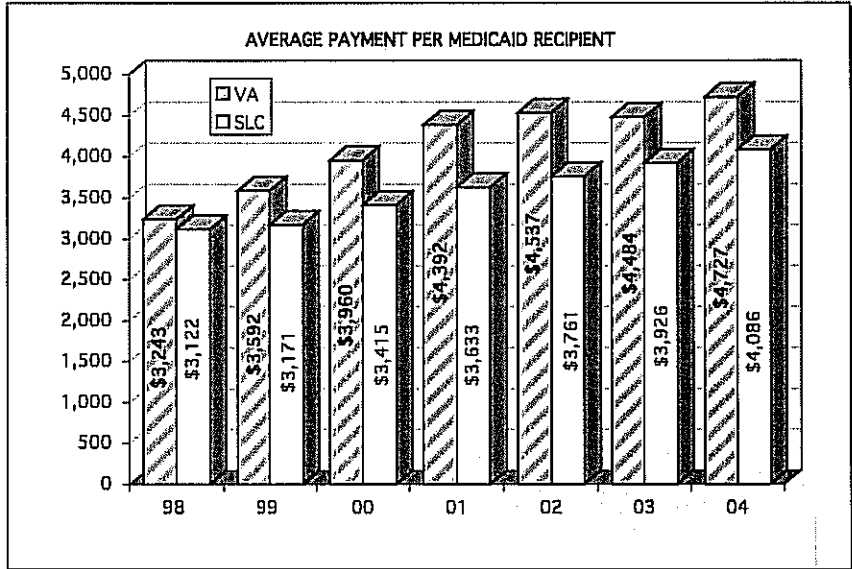
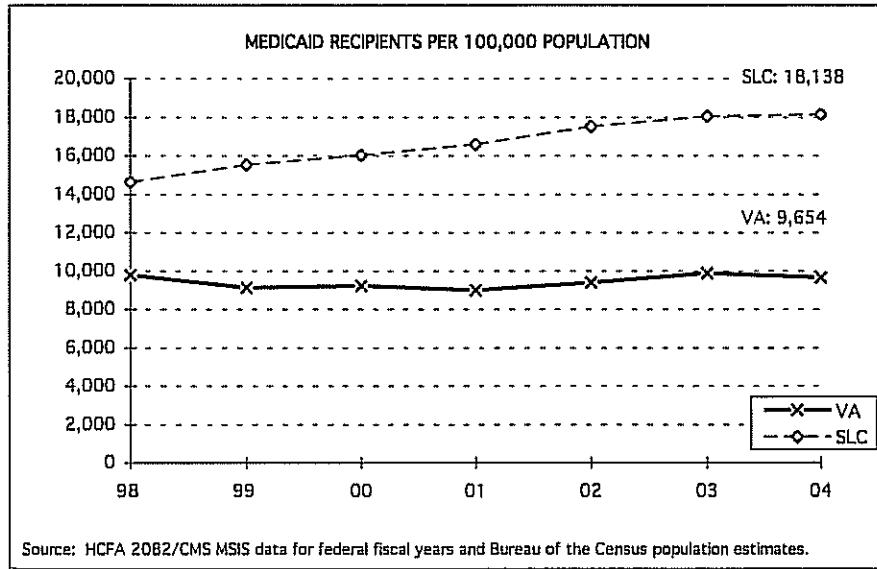
| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Hospitals | \$152,457,493 | \$157,022,000 | \$131,366,225 | \$231,973,515 | \$178,098,932 | \$151,299,116 | \$109,878,282 | \$160,967,000 | \$141,590,000 | 1.3% |
| Mental Hospitals | \$8,220,282 | \$3,900,000 | \$9,187,746 | \$1,752,745 | \$2,919,603 | \$3,996,406 | \$4,434,210 | \$4,162,000 | \$4,162,000 | -12.4% |
| Total | \$160,677,775 | \$160,922,000 | \$140,553,971 | \$233,726,260 | \$181,018,535 | \$155,295,522 | \$114,312,492 | \$165,129,000 | \$145,752,000 | 0.6% |

| SELECTED ELIGIBILITY CRITERIA | | | | DEMOGRAPHIC DATA & POVERTY INDICATORS (2004) | | | |
|--|--------------------------------|-----------|--|---|---------------|--|--------------|
| | At 10/1/04 | % of FPL* | | | | | Rank in U.S. |
| TANF-Temporary Assistance for Needy Families (Family of 3) | | | | State population—July 1, 2004* | 7,459,827 | | 12 |
| Need Standard | | 0.0% | | | | | |
| Payment Standard | | 0.0% | | Per capita personal income** | \$35,477 | | 10 |
| Max. Payment | PLEASE REFER TO LA: | #VALUE! | | Median household income** | \$52,587 | | 7 |
| | PAGE FOR DETAILED EXPLANATION. | | | | | | |
| Medically Needy Program (Family of 3) | | | | Population below Federal Poverty Level on July 1, 2003* | 693,764 | | |
| Income Eligibility | | | | Percent of total state population | 9.3% | | 38 |
| Resource Standard | | | | | | | |
| Pregnant Women, Children and Infants (% of FPL*) | | | | Population without health insurance coverage* | 962,000 | | 12 |
| Pregnant women and infants | | 133.0% | | Percent of total state population | 12.9% | | 30 |
| Children 1 to 5 | | 133.0% | | | | | |
| Children 6 to 18 | | 133.0% | | Recipients of Food Stamps*** | 453,421 | | 19 |
| SSI Eligibility Levels | | | | Households receiving Food Stamps*** | 199,550 | | 18 |
| Income: | | | | Total value of issuance*** | \$431,592,168 | | 19 |
| Single Person | \$564 | 72.7% | | Average monthly benefit per recipient | \$79.32 | | 34 |
| Couple | \$846 | 81.3% | | Average monthly benefit per household | \$180.24 | | |
| Resources: | | | | Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 69,838 | | 37 |
| Single Person | \$2,000 | | | Total TANF payments**** | \$98,731,296 | | 33 |
| Couple | \$3,000 | | | Average monthly payment per recipient | \$117.81 | | 33 |
| | | | | Maximum monthly payment per family of 3 | \$354.00 | | 31 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 03 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|
| 01. General Hospital | 98,015 | 77,754 | 82,264 | 84,209 | 80,664 | 71,321 | 72,676 | -4.9% |
| 02. Mental Hospital | 36,689 | 1,819 | 1,282 | 1,072 | 1,161 | 1,092 | 1,210 | -43.4% |
| 03. Skilled and Intermediate (non-MIR) Care Nursing | 28,053 | 27,746 | 27,558 | 28,157 | 28,704 | 27,717 | 28,177 | 0.1% |
| 04. Intermediate Care for Mentally Retarded | 2,126 | 2,301 | 2,174 | 2,096 | 2,043 | 1,990 | 2,025 | -0.8% |
| 05. Physician Services | 438,974 | 399,472 | 370,014 | 354,665 | 353,344 | 355,133 | 361,360 | -3.2% |
| 06. Dental Services | 76,341 | 71,128 | 64,429 | 60,289 | 53,457 | 55,788 | 56,834 | -4.8% |
| 07. Other Practitioners | 70,449 | 61,732 | 55,577 | 51,402 | 50,645 | 48,323 | 49,250 | -5.8% |
| 08. Outpatient Hospital | 267,436 | 238,853 | 220,843 | 210,511 | 208,943 | 193,907 | 197,582 | -4.9% |
| 09. Clinic Services | 95,786 | 97,550 | 94,799 | 92,692 | 87,055 | 76,957 | 78,451 | -3.3% |
| 10. Lab and X-Ray | 180,726 | 273,540 | 244,111 | 225,936 | 214,515 | 219,910 | 223,635 | 3.6% |
| 11. Home Health | 7,470 | 6,257 | 5,928 | 4,767 | 4,245 | 3,849 | 3,938 | -10.1% |
| 12. Prescribed Drugs | 383,880 | 373,491 | 347,251 | 333,880 | 319,196 | 325,047 | 325,047 | -2.7% |
| 13. Family Planning | 23,655 | 3,267 | 2,737 | 1,821 | 1,548 | 1,015 | 1,108 | -40.0% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 85,641 | 0 | 0 | 0 | 0 | 0 | 235 | -62.6% |
| 15. Other Care | 100,122 | 158,579 | 155,986 | 152,456 | 131,519 | 130,545 | 132,818 | 4.8% |
| 16. Personal Care Support Services | 31,984 | 35,548 | 40,638 | 41,474 | 40,977 | 40,966 | 41,601 | 4.5% |
| 17. Home/Community Based Waiver Services | 4,589 | 0 | 0 | 0 | 0 | 0 | 13 | -62.4% |
| 18. Prepaid Health Care | 159,392 | 197,269 | 213,085 | 228,312 | 364,939 | 460,732 | 465,183 | 19.5% |
| 19. Primary Care Case Management (PCCM) Services | 110,559 | 0 | 0 | 0 | 157,363 | 97,508 | 98,510 | -1.9% |
| Total* | 653,236 | 614,515 | 627,214 | 618,395 | 665,203 | 709,488 | 720,146 | 1.6% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual</u> | <u>Share of Total</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------------|
| | | | | | | | | <u>Change</u> | <u>FFY 04</u> |
| 01. General Hospital | \$334,376,705 | \$299,332,357 | \$290,073,429 | \$306,800,486 | \$301,672,203 | \$270,602,504 | \$297,428,785 | -1.9% | 8.7% |
| 02. Mental Hospital | \$101,470,932 | \$17,680,342 | \$17,425,643 | \$20,369,771 | \$21,474,944 | \$19,076,833 | \$23,165,687 | -21.8% | 0.7% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$394,719,042 | \$424,166,215 | \$482,194,747 | \$528,748,396 | \$558,401,245 | \$569,073,108 | \$610,751,548 | 7.5% | 17.9% |
| 04. Intermediate Care for Mentally Retarded | \$143,102,604 | \$165,893,863 | \$176,202,282 | \$185,046,982 | \$201,609,510 | \$188,051,360 | \$202,963,656 | 6.0% | 6.0% |
| 05. Physician Services | \$187,632,422 | \$136,672,029 | \$132,056,707 | \$124,707,825 | \$117,218,044 | \$130,824,089 | \$143,672,378 | -4.4% | 4.2% |
| 06. Dental Services | \$10,991,455 | \$15,179,443 | \$14,148,248 | \$14,306,994 | \$12,594,214 | \$13,351,434 | \$14,475,730 | 4.7% | 0.4% |
| 07. Other Practitioners | \$7,747,728 | \$7,095,870 | \$6,633,878 | \$7,016,406 | \$7,163,009 | \$6,842,826 | \$7,476,225 | -0.6% | 0.2% |
| 08. Outpatient Hospital | \$120,861,961 | \$114,410,112 | \$110,176,809 | \$107,939,847 | \$112,247,860 | \$103,053,593 | \$112,920,147 | -1.1% | 3.3% |
| 09. Clinic Services | \$44,638,404 | \$32,652,744 | \$34,567,196 | \$33,111,173 | \$32,639,726 | \$29,270,386 | \$32,421,159 | -5.2% | 1.0% |
| 10. Lab and X-Ray | \$12,882,268 | \$29,836,988 | \$28,482,687 | \$27,252,883 | \$25,843,168 | \$26,214,303 | \$28,173,625 | 13.9% | 0.8% |
| 11. Home Health | \$8,156,865 | \$6,835,806 | \$6,664,484 | \$5,207,547 | \$4,750,009 | \$4,235,869 | \$4,778,200 | -8.5% | 0.1% |
| 12. Prescribed Drugs | \$284,578,559 | \$327,518,802 | \$382,471,744 | \$419,133,293 | \$453,663,058 | \$506,529,241 | \$539,583,565 | 11.3% | 15.9% |
| 13. Family Planning | \$2,750,995 | \$3,207,784 | \$2,976,456 | \$2,527,392 | \$2,137,997 | \$1,531,497 | \$1,747,986 | -7.3% | 0.1% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$8,139,340 | \$0 | \$0 | \$0 | \$0 | \$0 | \$236,415 | -44.6% | 0.0% |
| 15. Other Care | \$54,680,560 | \$279,958,118 | \$340,586,197 | \$415,415,016 | \$435,632,317 | \$465,716,321 | \$490,493,728 | 44.1% | 14.4% |
| 16. Personal Care Support Services | \$117,734,231 | \$131,135,173 | \$137,275,767 | \$139,909,931 | \$141,998,594 | \$140,330,684 | \$151,787,033 | 4.3% | 4.5% |
| 17. Home/Community Based Waiver Services | \$95,785,869 | \$0 | \$0 | \$0 | \$0 | \$0 | \$32,782,192 | -44.6% | 0.1% |
| 18. Prepaid Health Care | \$186,255,441 | \$215,674,816 | \$321,994,437 | \$378,468,376 | \$586,504,919 | \$704,444,392 | \$737,231,520 | 25.8% | 21.7% |
| 19. Primary Case Management (PCCM) Services | \$1,697,485 | \$0 | \$0 | \$0 | \$2,318,832 | \$1,841,649 | \$1,951,377 | 2.4% | 0.1% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$2,118,202,866 | \$2,207,250,462 | \$2,483,930,711 | \$2,715,962,318 | \$3,017,869,649 | \$3,180,990,089 | \$3,404,040,956 | 8.2% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | | (+) or (-) SLIC |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------|--------------------|
| | | | | | | | | | <u>Avg. FFY 04</u> |
| 01. General Hospital | \$3,411.49 | \$3,849.74 | \$3,526.13 | \$3,643.32 | \$3,739.86 | \$3,794.15 | \$4,092.53 | 3.1% | -16.1% |
| 02. Mental Hospital | \$2,765.70 | \$9,719.81 | \$13,592.55 | \$19,001.65 | \$18,496.94 | \$17,469.63 | \$19,145.20 | 38.1% | 9.0% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$14,070.48 | \$15,287.47 | \$17,497.45 | \$18,778.58 | \$19,453.78 | \$20,531.55 | \$21,675.53 | 7.5% | -0.6% |
| 04. Intermediate Care for Mentally Retarded | \$67,310.73 | \$72,096.42 | \$81,049.81 | \$88,285.77 | \$98,683.07 | \$94,498.17 | \$100,228.97 | 6.9% | 20.5% |
| 05. Physician Services | \$427.43 | \$342.13 | \$356.90 | \$351.62 | \$331.74 | \$368.38 | \$397.59 | -1.2% | -25.2% |
| 06. Dental Services | \$143.98 | \$213.41 | \$219.59 | \$237.31 | \$235.60 | \$239.32 | \$254.70 | 10.0% | -23.2% |
| 07. Other Practitioners | \$109.98 | \$114.95 | \$119.36 | \$136.50 | \$141.44 | \$141.61 | \$151.80 | 5.5% | -14.1% |
| 08. Outpatient Hospital | \$451.93 | \$479.00 | \$498.89 | \$512.75 | \$537.22 | \$531.46 | \$571.51 | 4.0% | -3.6% |
| 09. Clinic Services | \$466.02 | \$334.73 | \$364.64 | \$357.22 | \$374.93 | \$380.35 | \$413.27 | -2.0% | -43.6% |
| 10. Lab and X-Ray | \$71.28 | \$109.08 | \$116.68 | \$120.62 | \$120.47 | \$119.20 | \$125.98 | 10.0% | -31.1% |
| 11. Home Health | \$1,091.95 | \$1,092.51 | \$1,124.24 | \$1,092.42 | \$1,118.97 | \$1,100.51 | \$1,213.36 | 1.8% | -41.9% |
| 12. Prescribed Drugs | \$741.32 | \$876.91 | \$1,101.43 | \$1,255.34 | \$1,421.27 | \$1,558.33 | \$1,660.02 | 14.4% | 23.3% |
| 13. Family Planning | \$116.30 | \$981.87 | \$1,087.49 | \$1,387.91 | \$1,381.14 | \$1,508.86 | \$1,577.60 | 54.4% | 121.8% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$95.04 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,006.02 | 48.2% | 135.4% |
| 15. Other Care | \$546.14 | \$1,765.42 | \$2,183.44 | \$2,724.82 | \$3,312.31 | \$3,567.48 | \$3,692.98 | 37.5% | 84.1% |
| 16. Personal Care Support Services | \$3,681.04 | \$3,688.96 | \$3,378.01 | \$3,373.44 | \$3,465.32 | \$3,425.54 | \$3,648.64 | -0.1% | 170.9% |
| 17. Home/Community Based Waiver Services | \$20,872.93 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$214,014.77 | 47.4% | 6816.8% |
| 18. Prepaid Health Care | \$1,168.54 | \$1,093.30 | \$1,511.11 | \$1,657.68 | \$1,607.13 | \$1,528.97 | \$1,584.82 | 5.2% | 33.5% |
| 19. Primary Case Management (PCCM) Services | \$15.35 | \$0.00 | \$0.00 | \$0.00 | \$14.74 | \$18.89 | \$19.81 | 4.3% | -35.7% |
| Total (Average) | \$3,242.63 | \$3,591.86 | \$3,960.26 | \$4,391.95 | \$4,536.76 | \$4,483.50 | \$4,726.88 | 6.5% | 15.7% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------|
| TOTAL PER CAPITA EXPENDITURES | \$369.34 | \$386.61 | \$423.58 | \$465.82 | \$565.14 | \$524.95 | \$545.67 | 6.7% | -37.7% |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|----------------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 285,976 | 232,531 | 195,118 | 139,233 | 134,495 | 136,553 | 139,634 | -11.3% | 19.4% |
| Poverty Related Eligibles | 245,429 | 232,001 | 264,873 | 310,379 | 359,514 | 400,493 | 405,462 | 8.7% | 56.3% |
| Medically Needy | 17,884 | 10,548 | 8,966 | 7,756 | 6,773 | 6,226 | 6,385 | -15.8% | 0.9% |
| Other Eligibles | 103,947 | 110,510 | 130,344 | 137,511 | 139,729 | 126,459 | 128,511 | 3.6% | 17.8% |
| Maintenance Assistance Status Unknown | 0 | 28,925 | 27,913 | 23,516 | 24,692 | 39,757 | 40,154 | 6.8% | 5.6% |
| Total | 653,236 | 614,515 | 627,214 | 618,395 | 665,203 | 709,488 | 720,146 | 1.6% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 207,662 | 195,155 | 197,120 | 198,590 | 203,452 | 204,705 | 208,013 | 0.0% | 28.9% |
| Children | 333,370 | 295,055 | 307,718 | 304,900 | 338,626 | 363,561 | 368,888 | 1.7% | 51.2% |
| Foster Care Children | 4,260 | 10,903 | 11,520 | 11,895 | 12,593 | 11,925 | 12,098 | 19.0% | 1.7% |
| Adults | 107,944 | 84,477 | 82,943 | 79,473 | 85,840 | 89,330 | 90,783 | -2.8% | 12.6% |
| Basis of Eligibility Unknown | 0 | 28,925 | 27,913 | 23,537 | 24,692 | 39,967 | 40,364 | 6.9% | 5.6% |
| Total | 653,236 | 614,515 | 627,214 | 618,395 | 665,203 | 709,488 | 720,146 | 1.6% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 41,524 | 23,578 | 25,531 | 25,522 | 26,381 | 27,078 | 27,543 | -6.6% | 3.8% |
| Age 1 to 5 | 123,243 | 112,019 | 114,543 | 114,477 | 124,523 | 131,652 | 133,627 | 1.4% | 18.6% |
| Age 6 to 14 | 152,702 | 143,241 | 148,654 | 145,627 | 161,520 | 171,791 | 174,323 | 2.2% | 24.2% |
| Age 15 to 20 | 66,403 | 60,774 | 63,557 | 63,521 | 71,544 | 76,625 | 77,728 | 2.7% | 10.8% |
| Age 21 to 44 | 125,801 | 110,905 | 110,614 | 107,808 | 114,589 | 118,942 | 120,830 | -0.7% | 16.8% |
| Age 45 to 64 | 52,956 | 52,061 | 53,524 | 55,184 | 58,446 | 60,620 | 61,532 | 2.5% | 8.5% |
| Age 65 to 74 | 36,481 | 33,445 | 33,334 | 33,143 | 33,421 | 33,092 | 33,648 | -1.3% | 4.7% |
| Age 75 to 84 | 32,497 | 30,051 | 30,068 | 30,225 | 30,746 | 30,711 | 31,216 | -0.7% | 4.3% |
| Age 85 and Over | 21,629 | 19,516 | 19,477 | 19,372 | 19,340 | 19,220 | 19,545 | -1.7% | 2.7% |
| Age Unknown | 0 | 28,925 | 27,912 | 23,516 | 24,693 | 39,757 | 40,154 | 6.8% | 5.6% |
| Total | 653,236 | 614,515 | 627,214 | 618,395 | 665,203 | 709,488 | 720,146 | 1.6% | 100.0% |
| By Race | | | | | | | | | |
| White | 300,535 | 282,592 | 271,176 | 267,089 | 289,560 | 302,705 | 307,403 | 0.4% | 42.7% |
| Black | 311,541 | 293,870 | 287,478 | 283,452 | 300,204 | 308,911 | 313,805 | 0.1% | 43.6% |
| Hispanic, American Indian or Asian | 39,844 | 37,396 | 39,478 | 38,922 | 49,260 | 56,628 | 57,345 | 6.3% | 8.0% |
| Other/ Unknown | 1,316 | 657 | 29,082 | 28,932 | 26,179 | 41,244 | 41,593 | 77.8% | 5.8% |
| Total* | 653,236 | 614,515 | 627,214 | 618,395 | 665,203 | 709,488 | 720,146 | 1.6% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 399,382 | 370,989 | 362,442 | 357,158 | 382,953 | 398,627 | 404,854 | 0.2% | 56.2% |
| Male | 253,854 | 235,678 | 236,860 | 233,475 | 257,559 | 271,097 | 275,177 | 1.4% | 38.2% |
| Unknown | 0 | 7,848 | 27,912 | 27,762 | 24,691 | 39,764 | 40,115 | 38.6% | 5.6% |
| Total* | 653,236 | 614,515 | 627,214 | 618,395 | 665,203 | 709,488 | 720,146 | 1.6% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$1,013,741,200 | \$1,018,157,154 | \$1,087,712,653 | \$1,110,404,548 | \$1,194,902,103 | \$1,254,777,240 | \$1,349,529,988 | 4.9% | 39.6% |
| Poverty Related Eligibles | \$276,531,633 | \$273,238,981 | \$314,524,110 | \$386,174,941 | \$538,512,263 | \$659,704,101 | \$694,439,180 | 16.6% | 20.4% |
| Medically Needy | \$163,396,812 | \$109,033,550 | \$98,539,846 | \$83,483,138 | \$75,208,245 | \$69,933,437 | \$78,438,807 | -11.5% | 2.3% |
| Other Eligibles | \$664,533,221 | \$784,273,835 | \$962,110,325 | \$1,111,702,252 | \$1,183,053,561 | \$1,141,383,137 | \$1,224,324,748 | 10.7% | 36.0% |
| Maintenance Assistance Status Unknown | \$0 | \$22,546,942 | \$21,043,777 | \$24,197,439 | \$26,193,477 | \$55,192,174 | \$57,308,233 | 20.5% | 1.7% |
| Total | \$2,118,202,866 | \$2,207,250,462 | \$2,483,930,711 | \$2,715,962,318 | \$3,017,869,649 | \$3,180,990,089 | \$3,404,040,956 | 8.2% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$1,571,334,621 | \$1,663,463,825 | \$1,881,789,124 | \$2,062,331,683 | \$2,245,634,923 | \$2,331,455,149 | \$2,498,216,387 | 8.0% | 73.4% |
| Children | \$336,821,911 | \$316,099,706 | \$356,524,289 | \$372,517,263 | \$448,607,412 | \$489,713,489 | \$522,627,162 | 7.6% | 15.4% |
| Foster Care Children | \$9,388,574 | \$25,484,978 | \$39,406,198 | \$71,981,745 | \$82,154,781 | \$74,890,109 | \$79,192,568 | 42.7% | 2.3% |
| Adults | \$200,657,760 | \$179,655,011 | \$185,167,323 | \$184,861,574 | \$213,941,075 | \$227,137,553 | \$244,038,077 | 3.3% | 7.2% |
| Basis of Eligibility Unknown | \$0 | \$22,546,942 | \$21,043,777 | \$24,270,053 | \$27,531,458 | \$57,793,789 | \$59,966,762 | 21.6% | 1.8% |
| Total | \$2,118,202,866 | \$2,207,250,462 | \$2,483,930,711 | \$2,715,962,318 | \$3,017,869,649 | \$3,180,990,089 | \$3,404,040,956 | 8.2% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$114,024,927 | \$65,057,489 | \$74,142,678 | \$78,724,164 | \$88,568,250 | \$86,845,468 | \$94,042,509 | -3.2% | 2.8% |
| Age 1 to 5 | \$126,666,594 | \$157,093,288 | \$174,953,639 | \$182,084,505 | \$215,506,887 | \$217,796,177 | \$233,032,506 | 10.7% | 6.8% |
| Age 6 to 14 | \$147,224,727 | \$155,931,592 | \$183,901,586 | \$204,966,655 | \$238,065,733 | \$259,542,654 | \$276,417,825 | 11.1% | 8.1% |
| Age 15 to 20 | \$122,588,008 | \$119,078,013 | \$134,382,892 | \$163,655,354 | \$190,580,444 | \$209,274,245 | \$222,602,068 | 10.5% | 6.5% |
| Age 21 to 44 | \$552,938,255 | \$565,613,101 | \$622,611,314 | \$660,803,841 | \$716,756,954 | \$744,213,985 | \$799,010,491 | 6.3% | 23.5% |
| Age 45 to 64 | \$390,567,507 | \$440,163,917 | \$509,435,844 | \$579,694,991 | \$657,522,290 | \$699,035,518 | \$745,512,162 | 11.4% | 21.9% |
| Age 65 to 74 | \$198,282,074 | \$201,405,297 | \$226,162,232 | \$241,634,542 | \$264,906,730 | \$277,327,512 | \$297,324,637 | 7.0% | 8.7% |
| Age 75 to 84 | \$244,845,675 | \$244,321,110 | \$274,192,117 | \$296,822,232 | \$320,962,297 | \$327,397,076 | \$351,633,049 | 6.2% | 10.3% |
| Age 85 and Over | \$221,065,099 | \$236,039,713 | \$263,104,723 | \$283,378,595 | \$298,804,739 | \$304,365,280 | \$327,157,451 | 6.8% | 9.6% |
| Age Unknown | \$0 | \$22,546,942 | \$21,043,686 | \$24,197,439 | \$26,193,325 | \$55,192,174 | \$57,308,258 | 20.5% | 1.7% |
| Total | \$2,118,202,866 | \$2,207,250,462 | \$2,483,930,711 | \$2,715,962,318 | \$3,017,869,649 | \$3,180,990,089 | \$3,404,040,956 | 8.2% | 100.0% |
| By Race | | | | | | | | | |
| White | \$1,185,068,839 | \$1,235,738,273 | \$1,390,383,251 | \$1,522,509,121 | \$1,681,790,686 | \$1,740,435,085 | \$1,864,639,557 | 7.8% | 54.8% |
| Black | \$848,667,684 | \$883,033,421 | \$962,905,449 | \$1,052,438,102 | \$1,158,956,731 | \$1,216,848,210 | \$1,303,702,001 | 7.4% | 38.3% |
| Hispanic, American Indian or Asian | \$81,559,117 | \$85,143,147 | \$105,441,247 | \$114,695,173 | \$146,011,056 | \$163,075,425 | \$172,947,256 | 13.3% | 5.1% |
| Other/Unknown | \$2,907,226 | \$3,335,621 | \$25,200,764 | \$26,319,922 | \$31,111,176 | \$60,631,369 | \$62,752,142 | 66.9% | 1.8% |
| Total* | \$2,118,202,866 | \$2,207,250,462 | \$2,483,930,711 | \$2,715,962,318 | \$3,017,869,649 | \$3,180,990,089 | \$3,404,040,956 | 8.2% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$1,316,194,909 | \$1,370,970,390 | \$1,508,799,560 | \$1,651,670,755 | \$1,810,956,030 | \$1,888,500,408 | \$2,023,927,732 | 7.4% | 59.5% |
| Male | \$802,007,957 | \$835,985,673 | \$953,525,708 | \$1,041,911,834 | \$1,180,721,261 | \$1,237,271,558 | \$1,323,112,163 | 8.7% | 38.9% |
| Unknown | \$0 | \$294,399 | \$21,605,443 | \$22,379,729 | \$26,192,358 | \$55,218,123 | \$57,001,061 | 186.7% | 1.7% |
| Total* | \$2,118,202,866 | \$2,207,250,462 | \$2,483,930,711 | \$2,715,962,318 | \$3,017,869,649 | \$3,180,990,089 | \$3,404,040,956 | 8.2% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$3,544.85 | \$4,378.59 | \$5,574.64 | \$7,975.15 | \$8,884.36 | \$9,188.94 | \$9,664.77 | 18.2% | 56.8% |
| Poverty Related Eligibles | \$1,126.73 | \$1,177.75 | \$1,187.45 | \$1,244.20 | \$1,497.89 | \$1,647.23 | \$1,712.71 | 7.2% | -4.8% |
| Medically Needy | \$9,136.48 | \$10,336.89 | \$10,990.39 | \$10,763.68 | \$11,104.13 | \$11,232.48 | \$12,284.86 | 5.1% | 94.0% |
| Other Eligibles | \$6,393.00 | \$7,096.86 | \$7,381.32 | \$8,084.46 | \$8,466.77 | \$9,025.72 | \$9,527.00 | 6.9% | 32.9% |
| Maintenance Assistance Status Unknown | \$0.00 | \$779.50 | \$753.91 | \$1,028.98 | \$1,060.81 | \$1,388.24 | \$1,427.21 | 12.9% | -42.4% |
| Total | \$3,242.63 | \$3,591.86 | \$3,960.26 | \$4,391.95 | \$4,536.76 | \$4,483.50 | \$4,726.88 | 6.5% | 15.7% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$7,566.79 | \$8,523.81 | \$9,546.41 | \$10,384.87 | \$11,037.66 | \$11,389.34 | \$12,009.91 | 8.0% | 9.7% |
| Children | \$1,010.35 | \$1,071.32 | \$1,158.61 | \$1,221.77 | \$1,324.79 | \$1,346.99 | \$1,416.76 | 5.8% | -1.2% |
| Foster Care Children | \$2,203.89 | \$2,337.43 | \$3,420.68 | \$6,051.43 | \$6,523.85 | \$6,280.09 | \$6,545.92 | 19.9% | -3.3% |
| Adults | \$1,858.91 | \$2,126.67 | \$2,232.46 | \$2,326.09 | \$2,492.32 | \$2,542.68 | \$2,688.15 | 6.3% | 2.3% |
| Basis of Eligibility Unknown | \$0.00 | \$779.50 | \$753.91 | \$1,031.14 | \$1,115.00 | \$1,446.04 | \$1,485.65 | 13.8% | -40.2% |
| Total | \$3,242.63 | \$3,591.86 | \$3,960.26 | \$4,391.95 | \$4,536.76 | \$4,483.50 | \$4,726.88 | 6.5% | 15.7% |
| By Age | | | | | | | | | |
| Under Age 1 | \$2,746.00 | \$2,759.25 | \$2,904.03 | \$3,084.56 | \$3,357.27 | \$3,207.23 | \$3,414.39 | 3.7% | -2.6% |
| Age 1 to 5 | \$1,027.78 | \$1,402.38 | \$1,527.41 | \$1,590.58 | \$1,730.66 | \$1,654.33 | \$1,743.90 | 9.2% | -0.3% |
| Age 6 to 14 | \$964.13 | \$1,088.60 | \$1,237.11 | \$1,407.48 | \$1,473.91 | \$1,510.80 | \$1,585.66 | 8.6% | -3.9% |
| Age 15 to 20 | \$1,846.12 | \$1,959.36 | \$2,114.37 | \$2,576.40 | \$2,663.82 | \$2,731.15 | \$2,863.86 | 7.6% | 10.8% |
| Age 21 to 44 | \$4,395.34 | \$5,099.98 | \$5,628.68 | \$6,129.45 | \$6,255.02 | \$6,256.95 | \$6,612.68 | 7.0% | 33.6% |
| Age 45 to 64 | \$7,375.32 | \$8,454.77 | \$9,517.90 | \$10,504.77 | \$11,250.08 | \$11,531.43 | \$12,115.84 | 8.6% | 28.0% |
| Age 65 to 74 | \$5,435.21 | \$6,021.99 | \$6,784.73 | \$7,290.67 | \$7,926.36 | \$8,380.50 | \$8,836.32 | 8.4% | 15.4% |
| Age 75 to 84 | \$7,534.41 | \$8,130.22 | \$9,119.07 | \$9,820.42 | \$10,439.16 | \$10,660.58 | \$11,264.51 | 6.9% | 1.7% |
| Age 85 and Over | \$10,220.77 | \$12,094.68 | \$13,508.48 | \$14,628.26 | \$15,450.09 | \$15,835.86 | \$16,738.68 | 8.6% | 0.1% |
| Age Unknown | \$0.00 | \$779.50 | \$753.93 | \$1,028.98 | \$1,060.84 | \$1,388.24 | \$1,427.21 | 12.9% | -47.0% |
| Total | \$3,242.63 | \$3,591.86 | \$3,960.26 | \$4,391.95 | \$4,536.76 | \$4,483.50 | \$4,726.88 | 6.5% | 15.7% |
| By Race | | | | | | | | | |
| White | \$3,943.20 | \$4,372.87 | \$5,127.24 | \$5,700.38 | \$5,808.09 | \$5,749.61 | \$6,065.78 | 7.4% | 19.8% |
| Black | \$2,724.10 | \$3,004.84 | \$3,349.50 | \$3,712.93 | \$3,860.56 | \$3,939.15 | \$4,154.50 | 7.3% | 22.7% |
| Hispanic, American Indian or Asian | \$2,046.96 | \$2,276.80 | \$2,670.86 | \$2,946.80 | \$2,964.09 | \$2,879.77 | \$3,015.91 | 6.7% | 14.1% |
| Other/Unknown | \$2,209.14 | \$5,077.05 | \$866.54 | \$909.72 | \$1,188.40 | \$1,470.07 | \$1,508.72 | -6.2% | -66.1% |
| Total | \$3,242.63 | \$3,591.86 | \$3,960.26 | \$4,391.95 | \$4,536.76 | \$4,483.50 | \$4,726.88 | 6.5% | 15.7% |
| By Sex | | | | | | | | | |
| Female | \$3,295.58 | \$3,695.45 | \$4,162.88 | \$4,624.48 | \$4,728.93 | \$4,737.51 | \$4,999.15 | 7.2% | 18.5% |
| Male | \$3,159.33 | \$3,547.15 | \$4,025.69 | \$4,462.63 | \$4,584.27 | \$4,563.94 | \$4,808.22 | 7.3% | 18.2% |
| Unknown | \$0.00 | \$37.51 | \$774.05 | \$806.13 | \$1,060.81 | \$1,388.65 | \$1,420.94 | 106.9% | -46.4% |
| Total | \$3,242.63 | \$3,591.86 | \$3,960.26 | \$4,391.95 | \$4,536.76 | \$4,483.50 | \$4,726.88 | 6.5% | 15.7% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

TANF AND MEDICALLY NEEDY PROGRAM ELIGIBILITY CRITERIA

Temporary Assistance to Needy Families (Family of 3)

| | | | |
|------------------|-------|-------|-------|
| Need Standard | \$295 | \$322 | \$393 |
| Payment Standard | \$292 | \$320 | \$389 |

Medically Needy Program (Family of 3)

| | | | |
|--------------------|---------------|---------------|---------------|
| Income Eligibility | \$362 | \$399 | \$492 |
| Resource Standard | \$3,100 for 3 | \$3,100 for 3 | \$3,100 for 3 |

The State of Virginia is subdivided into three areas: Group I is the northern and Group II is the central and Tidewater areas (Virginia Beach); and Group III is the western and southwestern sections of the state.

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January, 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January, 2005.

Waivers

Virginia operates two health care reform demonstrations with Freedom of Choice Waivers under Title XIX, Section 1915 (b), of the Social Security Act. They include:

- Medallion Program, implemented in 1992, provides case management for TANF and TANF-related beneficiaries statewide. In July of 1995, this program was expanded to include the aged, blind, and disabled resident population.
- Medallion II Program requires beneficiaries to enroll in prepaid HMO health plans. It currently serves 308,000 individuals and has been in operation since January 1, 1996.

In addition, Virginia has a number of Home and Community Based Service Waivers, under Section 1915 (c), which enables the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Elderly and Disabled: Serves 11,091 people, operating since July 1, 1982.
- Mental Retardation/Developmental Disabilities: Serves 5,536 people, operating since January 1, 1991.
- AIDS: Serves 337 people, operating since July 1, 1991.
- Technology Assisted People: Serves 308 people, operating since December 1, 1988.
- Assisted Living Waiver, implemented on July 1, 1996.
- Consumer-Directed Personal Attendant Services Waiver for the aged, blind, or disabled individuals who would be eligible for Medicaid if they were institutionalized, and have been determined to need home and community-based services to remain in the community. The program serves 199 individuals, operating since 1997.
- Individual and Family Developmental Disabilities Support: Serves 323 individuals, operating since July 2000.

Managed Care

- Any Willing Provider Clause: No.
- Freedom-of-Choice Clause: For pharmacies, as long as the providers agree to the rates and terms of participation.

Coverage for Targeted Population

- The Uninsured: The Indigent Care Trust Fund which includes state general funds and funds provided by private acute care hospitals, subsidizes the cost of uncompensated care at the hospitals. In 1997, a resolution adopted by the legislature, requested the Joint Commission on Health Care, in cooperation with other departments, to study the provision of health care for the indigent and uninsured. Results of the study, along with recommendations for a program to

SOUTHERN REGION MEDICAID PROFILE

Coverage for Targeted Population (CONTINUED)

provide basic health insurance to low-income, uninsured Virginia residents, was presented to the 1998 session of General Assembly. No action was taken as of September, 1999.

Cost Containment Measures

- Certificate of Need (CON) Program since 1973. Regulates introduction or expansion of new institutional health facilities and services. Nursing home moratorium which had been extended until June 30, 1996 was allowed to expire. The state implemented a new program whereby the department requests proposals for new nursing home beds based on need in each health planning district.
- Legislation passed in 1998 added certain medical equipment to the CON review process and exempted the replacement or upgrade of existing MRI systems from CON requirements.
- Enacted legislation in 2000 that calls for the elimination of the program by July 1, 2004.
- Rate setting. Prospective payment/per diem methodology used for Medicaid.

Medicaid

- 21 optional services are offered.
- Counties pay 20% of the non-federal share of administrative costs related to eligibility determinations.
- Enacted legislation in 1999 directing the Department of Medical Assistance (DMAS) to develop and implement a program to enroll children birth and age 3 for services under the Federal Individuals with Disabilities Education Act.
- Enacted legislation in 2000 that provides for the following:
 1. Requires Medicaid to provide special food products for the management of phenylketonuria to the parents or guardian of any child or pregnant woman;
 2. Requires Coverage for colorectal cancer screening;
 3. Requires coverage for high-dose chemotherapy and bone marrow transplants on behalf of eligible individuals over age 21 that have been diagnosed with myeloma, leukemia, or a diagnosed condition for which high-dose chemotherapy and bone marrow transplant is the appropriate treatment; and
 4. Requires the Medicaid program to issue standardized prescription benefit cards.
- Enacted legislation in 2001 that requires Medicaid to provide coverage to women that have been screened and diagnosed with breast or cervical cancer (Federally mandated by the Breast and Cervical Cancer Prevention and Treatment Act of 2000).
- Enacted legislation to extend Medicaid coverage to individuals that could be eligible as a result of the federal Ticket to Work and Medicaid Buy-in legislation. The programs will provide services to individuals with disabilities that are required to enable them to gain or keep employment.
- Enacted legislation in 2002 affecting the state's Medicaid program as follows:
 1. Enhanced the prospective drug utilization review (pro-DUR) program.
 2. Changed average wholesale price (AWP) discount for prescription drugs from 11% to 10.25%.
 3. Eliminated the increase for inflation to indirect patient care rates for nursing facilities.
- In 2003, enacted legislation and/or policy changes in Medicaid as follows:
 1. Increased reimbursement rates for mental retardation case management services from \$175.40 to \$260.00 per month.
 2. Increased reimbursement rates for mental health case management services from \$208.25 to \$260.00 per month.
 3. Implemented resource utilization group (RUGS) methodology for payments to nursing homes.
- In 2004, enacted legislation and/or policy changes in Medicaid as follows:
 1. Increased reimbursement rates for personal care services by 1%.
 2. Increased reimbursement rates for adult day health care services by 5%.
 3. Reduced reimbursement rates for private inpatient outpatient hospital services from 95% to 80% of allowable costs.

SOUTHERN REGION MEDICAID PROFILE

Medicaid (Continued)

4. Changed reimbursement for outpatient rehabilitation providers from a prospective cost settlement method to a cost report methodology.
5. Eliminated separate reimbursement rates for some specialized care services provided by nursing homes.
6. Reduced funding available for inflationary increases to nursing home providers.
7. Initiated a Pharmacy and Therapeutics Committee to clinically evaluate and establish a preferred drug list.
8. Reduced the pharmacy dispensing fee from \$4.25 to \$3.75.
9. Adjusted the reimbursement rates for some durable medical equipment to ensure that Medicaid rates do not exceed Medicare rates.

Children's Health Insurance Program: State Designed

- CHIP in Virginia received HCFA approval on October 22, 1998 and is administered by the Department of Medical Assistance Services through a state-designed program. The state plan is titled "The Virginia Children's Medical Security Insurance Plan (VCMSIP)". The program will provide health care coverage through a state employees equivalent plan to an estimated 23,900 currently eligible children and 32,800 projected new enrollees. Children/adolescents, birth through age 18, in families with income up to 185% of the FPL are eligible for VCMSIP benefits.
- For 2000, expanded the SCHIP program to provide health care coverage to individuals up to age 19 in families with incomes to 200% of the FPL and renamed the program the Family Access to Medical Insurance Security Plan (FAMIS). The program serves approximately 68,000 individuals. FAMIS does not require qualified families to pay yearly or monthly premiums. However, families with children that are enrolled in an MCO have co-payments for some covered services. Co-payments for some basic FAMIS services provided to eligible children are as follows:

| | Status 1* | Status 2* |
|------------------------------------|----------------------|----------------------|
| Outpatient Hospital or Doctor | \$2 per visit | \$5 per visit |
| Prescription Drugs | \$2 per prescription | \$5 per prescription |
| Inpatient Hospital | \$15 per admission | \$25 per admission |
| Non-emergency use of ER | \$10 per visit | \$25 per visit |
| Yearly Co-payment Limit per Family | \$180 | \$350 |

*Status is determined by DMAS and is based on family income. Native Americans and Alaskan natives are not required to make co-payments.

- During FY 03, children age 6 -19 under 133% of FPL were converted to the Medicaid program but still federal funding for this population continues to be at the S-CHIP rate (and out of the S-CHIP allotment). The state reported that approximately 31,000 children were added to Medicaid as a result of this change, while 53,000 additional children were enrolled in SCHIP.
- During FY 04, the SCHIP program was amended to remove the requirement that enrollees report all changes that impact eligibility before redetermination, reduce the waiting period of uninsurance from 6 months to 4 months, expand the scope of benefits to add certain mental health services, and change prior authorization requirements for some benefits.

Tobacco Settlement

- The state expects to receive approximately \$4.1 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$596.8 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | VA | % | U.S. | % |
|------------------------|--------------|-------|------------------|-------|
| Tobacco use prevention | \$64,418,000 | 10.8% | \$1,813,423,000 | 4.6% |
| Health services | \$0 | 0.0% | \$11,824,057,000 | 29.9% |
| Long-term care | \$0 | 0.0% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |

SOUTHERN REGION MEDICAID PROFILE

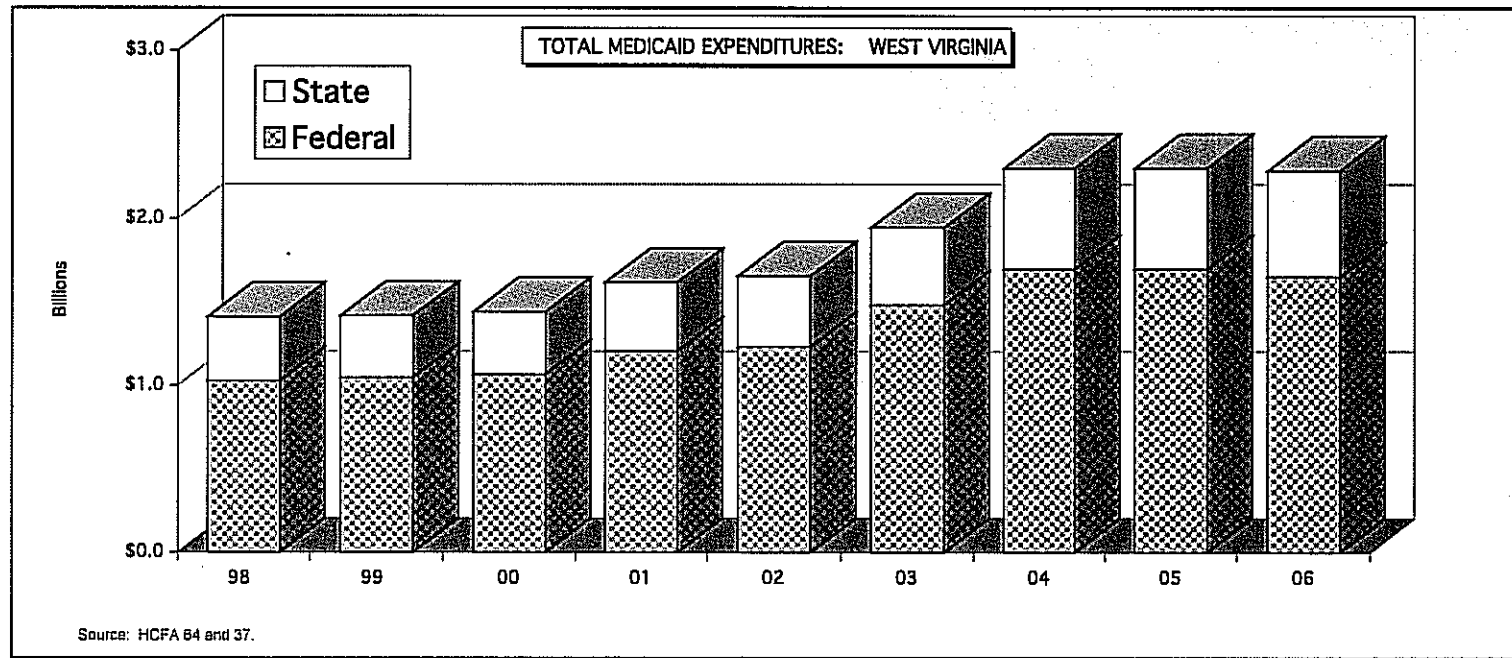
Tobacco Settlement (Continued)

| | | | | |
|--------------------------------|---------------|--------|------------------|--------|
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$295,804,000 | 49.6% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$0 | 0.0% | \$7,636,209,000 | 19.3% |
| Other | \$236,603,000 | 39.6% | \$10,048,868,000 | 25.4% |
| Total | \$596,825,000 | 100.0% | \$39,493,408,000 | 100.0% |

STATE MEDICAID PROFILE



SOUTHERN REGION MEDICAID PROFILE



State profile revised to reflect statistical data as reported by CMS for federal fiscal years 99 through 03.

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Rate of Change | Total Change 98-06 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------|--------------------------|
| Medicaid Payments | \$1,359,812,612 | \$1,353,004,076 | \$1,379,498,961 | \$1,548,616,901 | \$1,584,169,059 | \$1,857,747,927 | \$1,937,298,997 | \$2,197,701,000 | \$2,183,315,000 | 6.1% | 60.6% |
| Federal Share | \$1,001,620,498 | \$1,007,657,492 | \$1,031,890,265 | \$1,167,100,614 | \$1,192,040,463 | \$1,424,820,633 | \$1,500,814,359 | \$1,641,866,000 | \$1,595,018,000 | 6.0% | 59.2% |
| State Share | \$358,192,114 | \$345,346,584 | \$347,608,696 | \$381,516,287 | \$392,128,596 | \$432,927,294 | \$436,484,638 | \$555,835,000 | \$588,297,000 | 6.4% | 64.2% |
| Administrative Costs | \$50,801,124 | \$62,968,688 | \$62,221,989 | \$69,489,949 | \$73,009,703 | \$88,915,675 | \$94,256,418 | \$102,523,000 | \$102,761,000 | 9.2% | 102.3% |
| Federal Share | \$24,078,826 | \$36,405,994 | \$34,378,533 | \$38,595,032 | \$40,812,461 | \$54,801,069 | \$56,056,989 | \$56,217,000 | \$55,828,000 | 11.1% | 131.9% |
| State Share | \$26,722,298 | \$26,562,694 | \$27,843,456 | \$30,894,917 | \$32,197,242 | \$34,114,606 | \$38,199,429 | \$46,306,000 | \$46,933,000 | 7.3% | 75.6% |
| Admin. Costs as % of Payments | 3.74% | 4.65% | 4.51% | 4.49% | 4.61% | 4.79% | 4.87% | 4.67% | 4.71% | | |
| Federal Match Rate* | 73.67% | 74.47% | 74.78% | 75.34% | 75.27% | 75.04% | 75.19% | 74.65% | 72.99% | | |

*Rate shown is for Medicaid payments only. The FMAP (Federal Medical Assistance Percentage) is based on the relationship between each state's per capita personal income and that of the nation as a whole for the three most recent years. Federal share of state administrative costs is usually 50 percent or 75 percent, depending on function and whether or not medical personnel are used. **Federal Fiscal Years 05 and 06 reflect latest estimates reported by each state (CMS 37).

SOUTHERN REGION MEDICAID PROFILE

STATE FINANCING

| | Payments | | Administration | |
|--------------------|---------------|---------------|----------------|--------------|
| | FFY 98 | FFY 04 | FFY 98 | FFY 04 |
| State General Fund | \$358,192,114 | \$409,441,928 | \$26,722,298 | \$46,306,000 |
| Local Funds | \$0 | \$0 | \$0 | \$0 |
| Provider Taxes | \$0 | \$145,765,209 | \$0 | \$0 |
| Donations* | \$0 | \$627,863 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total State Share | \$358,192,114 | \$555,835,000 | \$26,722,298 | \$46,306,000 |

*Donations from Outstationed Eligibility Workers Program

DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | FFY 05** | FFY 06** | Annual Change |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| General Hospitals | \$49,007,819 | \$63,897,097 | \$49,806,898 | \$73,409,402 | \$64,896,245 | \$59,615,007 | \$54,647,047 | \$61,230,000 | \$57,343,000 | 2.4% |
| Mental Hospitals | \$11,388,172 | \$20,611,473 | \$11,811,654 | \$18,310,287 | \$18,898,562 | \$16,186,917 | \$12,489,463 | \$17,170,000 | \$16,079,000 | 5.3% |
| Total | \$60,395,991 | \$84,508,570 | \$61,618,552 | \$91,719,689 | \$83,794,807 | \$75,801,924 | \$67,136,510 | \$78,400,000 | \$73,422,000 | 3.0% |

Provider Taxes Currently in Place (FFY 04)

| | Tax Rate* | Amount |
|---|---------------|---------------|
| •Hospitals | 2.50% | N/A |
| •Nursing facilities & ICF-MR's | 5.50% | N/A |
| •Ambulatory surgical ctrs., chiropractors, dentists svcs, opticians, optometrists, podiatrists, psych svcs & therapists | 1.75% | N/A |
| •Behavioral health ctrs., community care centers, lab services | 5.00% | N/A |
| •Physicians | 2.00% | N/A |
| •Nurses, Ambulance | 1.75% / 5.50% | N/A |
| * annualized, based on gross revenues. | | |
| Total (Based on amounts reported on CMS 64 for FFY 03) | | \$145,765,209 |

SELECTED ELIGIBILITY CRITERIA

| | At 10/1/04 | % of FPL* |
|--|------------|-----------|
| TANF-Temporary Assistance for Needy Families (Family of 3) | | |
| Need Standard | \$991 | 75.9% |
| Payment Standard | \$340 | 26.0% |
| Maximum Payment | \$453 | 34.7% |
| Medically Needy Program (Family of 3) | | |
| Income Eligibility Standard | \$290 | |
| Resource Standard | \$3,050 | |
| Pregnant Women, Children and Infants (% of FPL*) | | |
| Pregnant women and infants under 1 | | 150.0% |
| Children 1 to 5 | | 133.0% |
| Children 6 to 18 | | 100.0% |
| SSI Eligibility Levels | | |
| Income: | | |
| Single Person | \$564 | 72.7% |
| Couple | \$846 | 81.3% |
| Resources: | | |
| Single Person | \$2,000 | |
| Couple | \$3,000 | |

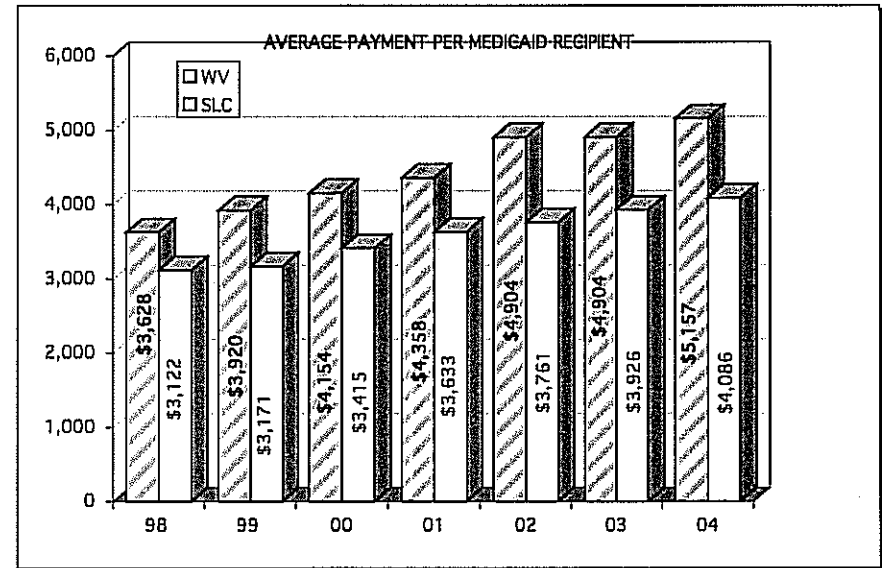
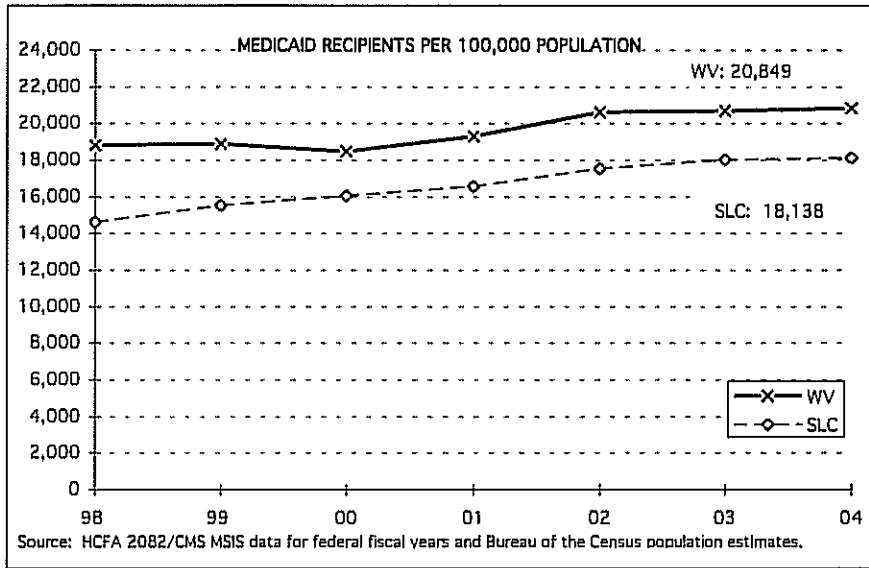
DEMOGRAPHIC DATA & POVERTY INDICATORS (2004)

| | | Rank in U.S. |
|---|---------------|--------------|
| State population—July 1, 2004* | 1,815,354 | 37 |
| Per capita personal income** | \$25,872 | 48 |
| Median household income** | \$31,210 | 50 |
| Population below Federal Poverty Level on July 1, 2003* | 306,795 | |
| Percent of total state population | 16.9% | 4 |
| Population without health insurance coverage* | 296,000 | 36 |
| Percent of total state population | 16.3% | 19 |
| Recipients of Food Stamps*** | 254,387 | 29 |
| Households receiving Food Stamps*** | 109,312 | 30 |
| Total value of issuance*** | \$228,943,891 | 31 |
| Average monthly benefit per recipient | \$75.00 | 48 |
| Average monthly benefit per household | \$174.53 | |
| Monthly recipients of Temporary Assistance to Needy Families (TANF)**** | 13,750 | 30 |
| Total TANF payments**** | \$73,488,000 | 26 |
| Average monthly payment per recipient | \$445.38 | 26 |
| Maximum monthly payment per family of 3 | \$278.00 | 40 |

*Current federal poverty level is \$9,310 per year for a single person, \$12,490 for a family of two and \$15,670 for a family of three. Table above shows monthly income levels.

*Bureau of the Census. **Bureau of Economic Analysis. ***USDA. ****USDHHS.

SOUTHERN REGION MEDICAID PROFILE



DATA BY TYPE OF SERVICES (Includes Fee-For-Service and Waivers)

RECIPIENTS BY TYPE OF SERVICES

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|
| 01. General Hospital | 43,213 | 39,222 | 39,492 | 37,305 | 36,173 | 37,776 | 38,367 | -2.0% |
| 02. Mental Hospital | 1,564 | 1,776 | 2,004 | 1,820 | 1,791 | 1,909 | 1,937 | 3.6% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | 11,677 | 11,788 | 11,636 | 11,923 | 11,450 | 11,479 | 11,656 | 0.0% |
| 04. Intermediate Care for Mentally Retarded | 609 | 570 | 563 | 552 | 577 | 604 | 613 | 0.1% |
| 05. Physician Services | 242,889 | 242,967 | 230,677 | 227,329 | 223,397 | 236,437 | 239,997 | -0.2% |
| 06. Dental Services | 81,557 | 81,595 | 80,139 | 83,379 | 84,852 | 93,568 | 94,849 | 2.5% |
| 07. Other Practitioners | 62,112 | 74,640 | 74,521 | 88,660 | 94,339 | 104,316 | 105,580 | 9.2% |
| 08. Outpatient Hospital | 166,885 | 170,268 | 166,241 | 163,401 | 168,553 | 172,330 | 174,885 | 0.8% |
| 09. Clinic Services | 98,672 | 113,254 | 148,175 | 148,734 | 144,008 | 153,764 | 155,809 | 7.9% |
| 10. Lab and X-Ray | 78,244 | 146,142 | 157,400 | 145,139 | 149,237 | 166,962 | 169,100 | 13.7% |
| 11. Home Health | 21,797 | 22,840 | 25,681 | 27,237 | 29,778 | 31,354 | 31,756 | 6.5% |
| 12. Prescribed Drugs | 267,398 | 274,842 | 261,544 | 269,174 | 276,338 | 285,582 | 285,582 | 1.1% |
| 13. Family Planning | 25,546 | 2,360 | 2,944 | 2,700 | 2,420 | 3,076 | 3,175 | -29.4% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | 62,034 | 0 | 0 | 0 | 0 | 0 | 157 | -63.1% |
| 15. Other Care | 36,243 | 45,866 | 51,605 | 65,012 | 71,226 | 72,158 | 73,026 | 12.4% |
| 16. Personal Care Support Services | 60,409 | 61,665 | 64,424 | 69,244 | 66,062 | 69,457 | 70,449 | 2.6% |
| 17. Home/Community Based Waiver Services | 5,437 | 0 | 0 | 0 | 0 | 0 | 14 | -63.0% |
| 18. Prepaid Health Care | 52 | 0 | 0 | 68,268 | 74,600 | 74,060 | 74,610 | 235.8% |
| 19. Primary Care Case Management (PCCM) Services | 0 | 67,237 | 93,843 | 104,426 | 120,517 | 130,575 | 131,885 | 14.4% |
| Total* | 342,668 | 342,885 | 335,014 | 349,229 | 362,030 | 373,154 | 378,492 | 1.7% |

*Annual totals for each service and for the grand total reflect unduplicated recipient counts. The grand total, therefore, may not equal the sum of the totals for each service.

SOUTHERN REGION MEDICAID PROFILE

| <u>PAYMENTS BY TYPE OF SERVICES</u> | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <u>Annual Change</u> | <u>Share of Total FFY 04</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|------------------------------|
| 01. General Hospital | \$194,479,017 | \$217,627,084 | \$203,643,700 | \$230,495,787 | \$213,211,473 | \$273,576,825 | \$291,895,065 | 7.0% | 15.0% |
| 02. Mental Hospital | \$24,905,723 | \$43,248,989 | \$39,449,347 | \$51,959,014 | \$47,259,579 | \$50,268,199 | \$53,624,300 | 13.6% | 2.7% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$256,580,323 | \$263,162,629 | \$271,717,727 | \$288,456,159 | \$303,439,124 | \$323,955,981 | \$347,370,424 | 5.2% | 17.8% |
| 04. Intermediate Care for Mentally Retarded | \$47,738,110 | \$45,794,140 | \$46,650,015 | \$47,771,016 | \$46,141,959 | \$52,967,636 | \$56,954,751 | 3.0% | 2.9% |
| 05. Physician Services | \$111,149,189 | \$96,967,239 | \$91,051,302 | \$100,992,794 | \$93,953,027 | \$110,379,510 | \$119,021,910 | 1.1% | 6.1% |
| 06. Dental Services | \$18,553,850 | \$19,253,138 | \$19,162,152 | \$25,731,915 | \$28,648,451 | \$34,182,703 | \$36,188,000 | 11.8% | 1.9% |
| 07. Other Practitioners | \$10,060,720 | \$12,564,068 | \$12,558,227 | \$25,056,816 | \$25,857,167 | \$35,393,182 | \$37,039,671 | 24.3% | 1.9% |
| 08. Outpatient Hospital | \$61,622,445 | \$63,845,080 | \$72,810,763 | \$81,753,788 | \$85,921,388 | \$99,355,296 | \$105,638,913 | 9.4% | 5.4% |
| 09. Clinic Services | \$46,008,114 | \$46,010,436 | \$57,290,982 | \$56,310,221 | \$49,582,358 | \$54,353,769 | \$58,480,942 | 4.1% | 3.0% |
| 10. Lab and X-Ray | \$5,844,856 | \$16,358,455 | \$16,824,030 | \$18,481,450 | \$18,267,102 | \$22,042,470 | \$23,244,055 | 25.9% | 1.2% |
| 11. Home Health | \$17,894,521 | \$15,289,233 | \$17,678,912 | \$19,350,719 | \$18,560,451 | \$20,531,451 | \$22,046,880 | 3.5% | 1.1% |
| 12. Prescribed Drugs | \$148,962,081 | \$195,644,951 | \$216,077,217 | \$256,395,319 | \$274,613,136 | \$339,840,738 | \$358,720,052 | 15.8% | 18.4% |
| 13. Family Planning | \$2,458,392 | \$2,217,073 | \$4,375,288 | \$4,029,544 | \$3,449,632 | \$6,018,735 | \$6,304,215 | 17.0% | 0.3% |
| 14. Early & Periodic Screening, Diagnosis & Treatment* | \$7,642,253 | \$0 | \$0 | \$0 | \$0 | \$0 | \$211,490 | -45.0% | 0.0% |
| 15. Other Care | \$35,751,670 | \$177,890,005 | \$193,501,538 | \$196,137,253 | \$194,580,129 | \$223,322,696 | \$235,269,934 | 36.9% | 12.1% |
| 16. Personal Care Support Services | \$125,929,361 | \$127,807,167 | \$126,870,027 | \$116,463,714 | \$103,718,433 | \$108,770,164 | \$118,575,240 | -1.0% | 6.1% |
| 17. Home/Community Based Waiver Services | \$100,995,995 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,794,942 | -45.0% | 0.1% |
| 18. Prepaid Health Care | \$26,573,906 | \$0 | \$0 | \$43,095,629 | \$67,486,939 | \$71,717,596 | \$74,975,465 | 18.9% | 3.8% |
| 19. Primary Case Management (PCCM) Services | \$0 | \$518,322 | \$2,069,936 | \$2,527,447 | \$3,007,481 | \$3,290,676 | \$3,419,968 | 45.8% | 0.2% |
| Total (excludes DSH pymts, pharmacy rebates, & other adjs.) | \$1,243,150,526 | \$1,344,198,009 | \$1,391,731,163 | \$1,565,008,585 | \$1,577,697,829 | \$1,829,967,627 | \$1,951,776,217 | 7.8% | 100.0% |

AVERAGE PAYMENTS PER RECIPIENT BY TYPE OF SERVICES

| | | | | | | | | (+) or (-) SLC | |
|---|--------------|-------------|-------------|-------------|-------------|-------------|--------------|----------------|---------|
| | | | | | | | | Aug. FFY 04 | |
| 01. General Hospital | \$4,500.47 | \$5,548.60 | \$5,156.58 | \$5,894.22 | \$5,894.22 | \$7,242.08 | \$7,607.97 | 9.1% | 56.0% |
| 02. Mental Hospital | \$15,924.38 | \$24,351.91 | \$19,685.30 | \$26,387.26 | \$26,387.26 | \$26,332.22 | \$27,684.20 | 9.7% | 57.6% |
| 03. Skilled and Intermediate (non-MR) Care Nursing | \$21,973.14 | \$22,324.62 | \$23,351.47 | \$26,501.23 | \$26,501.23 | \$28,221.62 | \$29,801.86 | 5.2% | 36.6% |
| 04. Intermediate Care for Mentally Retarded | \$78,387.70 | \$80,340.60 | \$82,859.71 | \$79,968.73 | \$79,968.73 | \$87,694.76 | \$92,911.50 | 2.9% | 11.7% |
| 05. Physician Services | \$457.61 | \$399.10 | \$394.71 | \$420.57 | \$420.57 | \$466.85 | \$495.93 | 1.3% | -6.7% |
| 06. Dental Services | \$227.50 | \$235.96 | \$239.11 | \$337.63 | \$337.63 | \$365.32 | \$381.53 | 9.0% | 15.0% |
| 07. Other Practitioners | \$161.98 | \$168.33 | \$168.52 | \$274.09 | \$274.09 | \$339.29 | \$350.82 | 13.7% | 98.6% |
| 08. Outpatient Hospital | \$369.25 | \$374.97 | \$437.98 | \$509.76 | \$509.76 | \$576.54 | \$604.05 | 8.5% | 1.9% |
| 09. Clinic Services | \$466.27 | \$406.26 | \$386.64 | \$344.30 | \$344.30 | \$353.49 | \$375.34 | -3.6% | -48.8% |
| 10. Lab and X-Ray | \$74.70 | \$111.94 | \$106.89 | \$122.40 | \$122.40 | \$132.02 | \$137.46 | 10.7% | -24.8% |
| 11. Home Health | \$820.96 | \$669.41 | \$688.40 | \$623.29 | \$623.29 | \$654.83 | \$694.26 | -2.8% | -66.8% |
| 12. Prescribed Drugs | \$557.08 | \$711.85 | \$826.16 | \$993.76 | \$993.76 | \$1,189.99 | \$1,256.10 | 14.5% | -6.7% |
| 13. Family Planning | \$96.23 | \$939.44 | \$1,486.17 | \$1,425.47 | \$1,425.47 | \$1,956.68 | \$1,985.58 | 65.6% | 179.1% |
| 14. Early & Periodic Screening, Diagnosis & Treatment | \$123.19 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,347.07 | 49.0% | 215.2% |
| 15. Other Care | \$986.44 | \$3,878.47 | \$3,749.67 | \$2,731.87 | \$2,731.87 | \$3,094.91 | \$3,221.73 | 21.8% | 60.6% |
| 16. Personal Care Support Services | \$2,084.61 | \$2,072.60 | \$1,969.30 | \$1,570.02 | \$1,570.02 | \$1,566.01 | \$1,683.14 | -3.5% | 25.0% |
| 17. Home/Community Based Waiver Services | \$18,575.68 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$199,638.71 | 48.6% | 6352.2% |
| 18. Prepaid Health Care | \$511,036.65 | \$0.00 | \$0.00 | \$904.65 | \$904.65 | \$968.37 | \$1,004.90 | -64.6% | 0.0% |
| 19. Primary Care Case Management (PCCM) Services | \$0.00 | \$7.71 | \$22.06 | \$24.95 | \$24.95 | \$25.20 | \$25.93 | 27.5% | 0.0% |
| Total (Average) | \$3,627.86 | \$3,920.26 | \$4,154.25 | \$4,357.92 | \$4,357.92 | \$4,904.05 | \$5,156.72 | 6.0% | 26.2% |

| | | | | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------|--------------|
| TOTAL PER CAPITA EXPENDITURES | \$774.89 | \$780.05 | \$796.02 | \$895.50 | \$916.41 | \$1,080.33 | \$1,267.09 | 8.5% | 44.7% |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------|--------------|

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE
DATA BY OTHER CHARACTERISTICS

RECIPIENTS BY OTHER CHARACTERISTICS

| | <u>FFY 98</u> | <u>FFY 99</u> | <u>FFY 00</u> | <u>FFY 01</u> | <u>FFY 02</u> | <u>FFY 03</u> | <u>FFY 04</u> | <i>Annual Change</i> | <i>Share of Total FFY 04</i> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|----------------------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | 172,278 | 180,644 | 169,842 | 131,322 | 125,046 | 108,056 | 110,306 | -7.2% | 29.1% |
| Poverty Related Eligibles | 29,197 | 117,865 | 121,241 | 168,587 | 185,759 | 186,028 | 188,079 | 36.4% | 49.7% |
| Medically Needy | 3,895 | 4,688 | 4,344 | 4,556 | 4,699 | 5,626 | 5,697 | 6.5% | 1.5% |
| Other Eligibles | 111,592 | 20,772 | 20,619 | 22,137 | 23,164 | 34,365 | 34,955 | -17.6% | 9.2% |
| Maintenance Assistance Status Unknown | 25,706 | 18,916 | 18,968 | 22,627 | 23,362 | 39,079 | 39,455 | 7.4% | 10.4% |
| Total | 342,668 | 342,885 | 335,014 | 349,229 | 362,030 | 373,154 | 378,492 | 1.7% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind, or Disabled | 102,194 | 108,005 | 108,078 | 109,822 | 111,666 | 114,707 | 116,367 | 2.2% | 30.7% |
| Children | 153,021 | 153,339 | 150,543 | 157,587 | 165,981 | 158,010 | 160,390 | 0.8% | 42.4% |
| Foster Care Children | 5,065 | 5,238 | 5,371 | 5,673 | 5,977 | 5,991 | 6,075 | 3.1% | 1.6% |
| Adults | 56,682 | 57,387 | 52,054 | 53,520 | 55,044 | 54,999 | 55,835 | -0.3% | 14.8% |
| Basis of Eligibility Unknown | 25,706 | 18,916 | 18,968 | 22,627 | 23,362 | 39,447 | 39,825 | 7.6% | 10.5% |
| Total | 342,668 | 342,885 | 335,014 | 349,229 | 362,030 | 373,154 | 378,492 | 1.7% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | 12,093 | 11,731 | 13,226 | 13,780 | 13,726 | 5,538 | 5,716 | -11.7% | 1.5% |
| Age 1 to 5 | 56,474 | 56,194 | 53,986 | 56,197 | 59,145 | 54,838 | 55,692 | -0.2% | 14.7% |
| Age 6 to 14 | 73,311 | 73,550 | 71,752 | 75,161 | 79,208 | 81,833 | 82,986 | 2.1% | 21.9% |
| Age 15 to 20 | 35,841 | 35,669 | 34,477 | 35,940 | 38,183 | 39,794 | 40,352 | 2.0% | 10.7% |
| Age 21 to 44 | 76,345 | 77,679 | 73,474 | 74,907 | 75,912 | 78,379 | 79,537 | 0.7% | 21.0% |
| Age 45 to 64 | 35,696 | 37,746 | 38,227 | 39,675 | 41,359 | 42,854 | 43,451 | 3.3% | 11.5% |
| Age 65 to 74 | 12,697 | 12,901 | 12,833 | 12,977 | 13,272 | 13,439 | 13,637 | 1.2% | 3.6% |
| Age 75 to 84 | 10,569 | 10,589 | 10,429 | 10,555 | 10,592 | 10,361 | 10,521 | -0.1% | 2.8% |
| Age 85 and Over | 7,838 | 7,910 | 7,642 | 7,410 | 7,271 | 7,039 | 7,153 | -1.5% | 1.9% |
| Age Unknown | 21,804 | 18,916 | 18,968 | 22,627 | 23,362 | 39,079 | 39,447 | 10.4% | 10.4% |
| Total | 342,668 | 342,885 | 335,014 | 349,229 | 362,030 | 373,154 | 378,492 | 1.7% | 100.0% |
| By Race | | | | | | | | | |
| White | 296,447 | 296,645 | 310,618 | 323,468 | 335,041 | 315,856 | 320,619 | 1.3% | 84.7% |
| Black | 14,776 | 14,786 | 16,161 | 16,786 | 17,345 | 17,481 | 17,728 | 3.1% | 4.7% |
| Hispanic, American Indian or Asian | 822 | 823 | 1,049 | 1,120 | 1,183 | 729 | 744 | -1.6% | 0.2% |
| Other/Unknown | 30,623 | 30,631 | 7,186 | 7,855 | 8,461 | 39,088 | 39,401 | 4.3% | 10.4% |
| Total* | 342,668 | 342,885 | 335,014 | 349,229 | 362,030 | 373,154 | 378,492 | 1.7% | 100.0% |
| By Sex | | | | | | | | | |
| Female | 187,552 | 187,676 | 196,023 | 204,055 | 211,295 | 193,112 | 196,104 | 0.7% | 51.8% |
| Male | 132,574 | 132,661 | 138,736 | 144,391 | 149,473 | 140,963 | 143,090 | 1.3% | 37.8% |
| Unknown | 22,542 | 22,548 | 255 | 783 | 1,262 | 39,079 | 39,298 | 9.7% | 10.4% |
| Total* | 342,668 | 342,885 | 335,014 | 349,229 | 362,030 | 373,154 | 378,492 | 1.7% | 100.0% |

*FFY 02 projected using FFY 96-FFY 01 trends, State Annual report, and state submitted data (SEE "Important Note" prior to table of contents).

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

PAYMENTS BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Share of Total FFY 04 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|-----------------------|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$830,135,721 | \$914,173,541 | \$969,277,957 | \$1,009,653,817 | \$1,018,778,058 | \$766,304,101 | \$841,257,133 | 0.2% | 43.1% |
| Poverty Related Eligibles | \$121,766,318 | \$124,858,500 | \$135,644,187 | \$236,768,013 | \$256,486,390 | \$381,435,337 | \$398,539,066 | 21.8% | 20.4% |
| Medically Needy | \$24,132,569 | \$23,612,163 | \$26,319,081 | \$28,663,753 | \$28,142,347 | \$36,547,136 | \$38,825,219 | 8.2% | 2.0% |
| Other Eligibles | \$144,277,023 | \$113,120,751 | \$127,493,577 | \$144,004,138 | \$151,727,165 | \$450,618,802 | \$466,011,867 | 21.6% | 23.9% |
| Maintenance Assistance Status Unknown | \$122,838,895 | \$168,433,054 | \$132,996,361 | \$145,918,864 | \$122,563,869 | \$195,062,251 | \$207,142,932 | 9.1% | 10.6% |
| Total | \$1,243,150,526 | \$1,344,198,009 | \$1,391,731,163 | \$1,565,008,585 | \$1,577,697,829 | \$1,829,967,627 | \$1,951,776,217 | 7.8% | 100.0% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$832,783,118 | \$895,658,899 | \$960,307,818 | \$1,048,490,458 | \$1,072,310,863 | \$1,224,267,469 | \$1,306,371,039 | 7.8% | 66.9% |
| Children | \$153,582,113 | \$147,716,916 | \$154,527,124 | \$204,861,070 | \$212,929,998 | \$214,949,909 | \$229,762,294 | 6.9% | 11.8% |
| Foster Care Children | \$32,282,729 | \$37,672,613 | \$46,346,172 | \$51,156,357 | \$53,807,289 | \$62,087,034 | \$65,942,673 | 12.6% | 3.4% |
| Adults | \$101,663,671 | \$94,716,527 | \$97,553,688 | \$114,581,836 | \$116,085,810 | \$131,452,245 | \$140,379,321 | 5.5% | 7.2% |
| Basis of Eligibility Unknown | \$122,838,895 | \$168,433,054 | \$132,996,361 | \$145,918,864 | \$122,563,869 | \$197,210,970 | \$209,320,890 | 9.3% | 10.7% |
| Total | \$1,243,150,526 | \$1,344,198,009 | \$1,391,731,163 | \$1,565,008,585 | \$1,577,697,829 | \$1,829,967,627 | \$1,951,776,217 | 7.8% | 100.0% |
| By Age | | | | | | | | | |
| Under Age 1 | \$17,099,015 | \$15,395,782 | \$19,914,949 | \$26,289,476 | \$25,200,755 | \$11,586,112 | \$13,157,558 | -4.3% | 0.7% |
| Age 1 to 5 | \$59,891,308 | \$57,850,291 | \$58,643,594 | \$78,515,668 | \$78,597,510 | \$80,989,242 | \$86,629,271 | 6.3% | 4.4% |
| Age 6 to 14 | \$92,021,543 | \$102,113,158 | \$108,874,183 | \$132,623,690 | \$140,307,828 | \$167,277,188 | \$177,390,322 | 11.6% | 9.1% |
| Age 15 to 20 | \$87,059,121 | \$87,083,130 | \$95,409,787 | \$109,387,524 | \$112,820,007 | \$128,582,317 | \$137,023,453 | 7.9% | 7.0% |
| Age 21 to 44 | \$279,277,299 | \$294,418,925 | \$313,625,661 | \$348,958,992 | \$343,962,080 | \$394,220,568 | \$421,087,551 | 7.1% | 21.6% |
| Age 45 to 64 | \$249,943,764 | \$271,872,989 | \$301,828,496 | \$341,256,433 | \$353,666,445 | \$414,186,677 | \$440,486,120 | 9.9% | 22.6% |
| Age 65 to 74 | \$85,512,581 | \$86,560,376 | \$93,331,070 | \$101,348,881 | \$106,323,896 | \$120,135,471 | \$128,207,448 | 7.0% | 6.6% |
| Age 75 to 84 | \$117,549,030 | \$117,478,457 | \$124,588,307 | \$132,489,326 | \$140,414,431 | \$151,905,653 | \$162,579,509 | 5.6% | 8.3% |
| Age 85 and Over | \$140,540,957 | \$142,991,847 | \$142,518,755 | \$148,219,731 | \$153,841,008 | \$166,022,148 | \$178,188,843 | 4.0% | 9.1% |
| Age Unknown | \$114,255,908 | \$168,433,054 | \$132,996,361 | \$145,918,864 | \$122,563,869 | \$195,062,251 | \$207,026,142 | 10.4% | 10.6% |
| Total | \$1,243,150,526 | \$1,344,198,009 | \$1,391,731,163 | \$1,565,008,585 | \$1,577,697,829 | \$1,829,967,627 | \$1,951,776,217 | 7.8% | 100.0% |
| By Race | | | | | | | | | |
| White | \$1,050,971,933 | \$1,135,226,882 | \$1,156,295,553 | \$1,302,532,776 | \$1,360,638,050 | \$1,564,826,900 | \$1,667,840,342 | 8.0% | 85.5% |
| Black | \$43,439,640 | \$46,856,535 | \$46,875,378 | \$52,834,712 | \$58,128,120 | \$66,768,158 | \$71,053,110 | 8.5% | 3.6% |
| Hispanic, American Indian or Asian | \$2,008,562 | \$2,392,507 | \$3,444,710 | \$4,108,439 | \$4,312,358 | \$3,266,628 | \$3,532,421 | 9.9% | 0.2% |
| Other/ Unknown | \$146,730,391 | \$159,722,085 | \$185,115,522 | \$205,532,658 | \$154,619,301 | \$195,105,941 | \$209,350,344 | 6.1% | 10.7% |
| Total* | \$1,243,150,526 | \$1,344,198,009 | \$1,391,731,163 | \$1,565,008,585 | \$1,577,697,829 | \$1,829,967,627 | \$1,951,776,217 | 7.8% | 100.0% |
| By Sex | | | | | | | | | |
| Female | \$695,486,096 | \$751,017,472 | \$753,040,278 | \$849,437,182 | \$883,101,506 | \$995,182,456 | \$1,062,228,894 | 7.3% | 54.4% |
| Male | \$431,380,707 | \$466,094,642 | \$483,281,451 | \$543,753,945 | \$571,627,547 | \$639,722,920 | \$682,393,311 | 7.9% | 35.0% |
| Unknown | \$116,283,723 | \$127,085,895 | \$155,409,434 | \$171,817,458 | \$122,968,776 | \$195,062,251 | \$207,154,012 | 10.1% | 10.6% |
| Total* | \$1,243,150,526 | \$1,344,198,009 | \$1,391,731,163 | \$1,565,008,585 | \$1,577,697,829 | \$1,829,967,627 | \$1,951,776,217 | 7.8% | 100.0% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

AVERAGE PAYMENT PER RECIPIENT BY OTHER CHARACTERISTICS

| | FFY 98 | FFY 99 | FFY 00 | FFY 01 | FFY 02 | FFY 03 | FFY 04 | Annual Change | Above (+) or Below (-) SLC Avg. FFY 04 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|--|
| By Maintenance Assistance Status | | | | | | | | | |
| Receiving Cash Assistance or Eligible Under Section 1931 | \$4,818.58 | \$5,060.64 | \$5,706.94 | \$8,147.23 | \$8,147.23 | \$7,091.73 | \$7,626.58 | 8.0% | 23.7% |
| Poverty Related Eligibles | \$4,170.51 | \$1,059.33 | \$1,118.80 | \$1,380.75 | \$1,380.75 | \$2,050.42 | \$2,119.00 | -10.7% | 17.8% |
| Medically Needy | \$6,195.78 | \$5,036.72 | \$6,058.72 | \$5,989.01 | \$5,989.01 | \$6,496.11 | \$6,815.03 | 1.6% | 7.6% |
| Other Eligibles | \$1,292.90 | \$5,445.83 | \$6,183.31 | \$6,550.13 | \$6,550.13 | \$13,112.73 | \$13,331.77 | 47.5% | 86.0% |
| Maintenance Assistance Status Unknown | \$4,778.61 | \$8,904.26 | \$7,011.62 | \$5,246.29 | \$5,246.29 | \$4,991.49 | \$5,250.11 | 1.6% | 112.0% |
| Total | \$3,627.86 | \$3,920.26 | \$4,154.25 | \$4,357.92 | \$4,357.92 | \$4,904.05 | \$5,156.72 | 6.0% | 26.2% |
| By Basis of Eligibility | | | | | | | | | |
| Aged, Blind or Disabled | \$8,149.04 | \$8,292.75 | \$8,885.32 | \$9,602.84 | \$9,602.84 | \$10,673.00 | \$11,226.30 | 5.5% | 2.6% |
| Children | \$1,003.67 | \$963.34 | \$1,026.47 | \$1,282.86 | \$1,282.86 | \$1,360.36 | \$1,432.52 | 6.1% | -0.1% |
| Foster Care Children | \$6,373.69 | \$7,192.18 | \$8,628.97 | \$9,002.39 | \$9,002.39 | \$10,363.38 | \$10,854.76 | 9.3% | 60.3% |
| Adults | \$1,793.58 | \$1,650.49 | \$1,874.09 | \$2,108.96 | \$2,108.96 | \$2,390.08 | \$2,514.18 | 5.8% | -4.3% |
| Basis of Eligibility Unknown | \$4,778.61 | \$8,904.26 | \$7,011.62 | \$5,246.29 | \$5,246.29 | \$4,999.39 | \$5,256.02 | 1.6% | 111.5% |
| Total | \$3,627.86 | \$3,920.26 | \$4,154.25 | \$4,357.92 | \$4,357.92 | \$4,904.05 | \$5,156.72 | 6.0% | 26.2% |
| By Age | | | | | | | | | |
| Under Age 1 | \$1,413.96 | \$1,312.40 | \$1,505.74 | \$1,835.99 | \$1,835.99 | \$2,092.11 | \$2,301.88 | 8.5% | -34.4% |
| Age 1 to 5 | \$1,060.51 | \$1,029.47 | \$1,086.27 | \$1,328.90 | \$1,328.90 | \$1,476.88 | \$1,555.51 | 6.6% | -11.1% |
| Age 6 to 14 | \$1,255.22 | \$1,388.35 | \$1,517.37 | \$1,771.38 | \$1,771.38 | \$2,044.13 | \$2,137.59 | 9.3% | 29.5% |
| Age 15 to 20 | \$2,429.04 | \$2,441.42 | \$2,767.35 | \$2,954.72 | \$2,954.72 | \$3,231.20 | \$3,395.70 | 5.7% | 31.3% |
| Age 21 to 44 | \$3,658.10 | \$3,790.20 | \$4,268.53 | \$4,531.06 | \$4,531.06 | \$5,029.67 | \$5,294.23 | 6.4% | 7.0% |
| Age 45 to 64 | \$7,002.01 | \$7,202.70 | \$7,895.69 | \$8,551.14 | \$8,551.14 | \$9,665.06 | \$10,137.54 | 6.4% | 7.1% |
| Age 65 to 74 | \$6,734.87 | \$6,709.59 | \$7,272.74 | \$8,011.14 | \$8,011.14 | \$8,939.32 | \$9,401.44 | 5.7% | 22.7% |
| Age 75 to 84 | \$11,122.06 | \$11,094.39 | \$11,946.33 | \$13,256.65 | \$13,256.65 | \$14,661.29 | \$15,452.86 | 5.6% | 39.6% |
| Age 85 and Over | \$17,930.72 | \$18,077.35 | \$18,649.41 | \$21,158.16 | \$21,158.16 | \$23,586.04 | \$24,911.06 | 5.6% | 48.9% |
| Age Unknown | \$5,240.14 | \$8,904.26 | \$7,011.62 | \$5,246.29 | \$5,246 | \$4,991.49 | \$5,248.21 | 0.0% | 95.0% |
| Total | \$3,627.86 | \$3,920.26 | \$4,154.25 | \$4,357.92 | \$4,357.92 | \$4,904.05 | \$5,156.72 | 6.0% | 26.2% |
| By Race | | | | | | | | | |
| White | \$3,545.23 | \$3,826.89 | \$3,722.57 | \$4,061.11 | \$4,061.11 | \$4,954.24 | \$5,201.94 | 6.6% | 2.7% |
| Black | \$2,939.88 | \$3,168.98 | \$2,900.47 | \$3,351.29 | \$3,351.29 | \$3,819.47 | \$4,007.96 | 5.3% | 18.4% |
| Hispanic, American Indian or Asian | \$2,443.51 | \$2,907.06 | \$3,283.60 | \$3,645.27 | \$3,645.27 | \$4,480.97 | \$4,747.88 | 11.7% | 79.5% |
| Other/ Unknown | \$4,791.51 | \$5,214.39 | \$25,761.67 | \$18,274.35 | \$18,274.35 | \$4,991.45 | \$5,313.33 | 1.7% | 19.3% |
| Total | \$3,627.86 | \$3,920.26 | \$4,154.25 | \$4,357.92 | \$4,357.92 | \$4,904.05 | \$5,156.72 | 6.0% | 26.2% |
| By Sex | | | | | | | | | |
| Female | \$3,708.23 | \$4,001.68 | \$3,841.59 | \$4,179.47 | \$4,179.47 | \$5,153.40 | \$5,416.66 | 6.5% | 28.4% |
| Male | \$3,253.89 | \$3,513.42 | \$3,483.47 | \$3,824.29 | \$3,824.29 | \$4,538.23 | \$4,768.98 | 6.6% | 17.2% |
| Unknown | \$5,158.54 | \$5,636.23 | \$608,849.45 | \$97,439.60 | \$97,439.60 | \$4,991.49 | \$5,271.36 | 0.4% | 98.7% |
| Total | \$3,627.86 | \$3,920.26 | \$4,154.25 | \$4,357.92 | \$4,357.92 | \$4,904.05 | \$5,156.72 | 6.0% | 26.2% |

Source: Health Care Financing Administration-Form HCFA 2082 for federal fiscal year 98; MSIS data for FFY 99-03. FFY 04 is projected using state annual reports and historical trends from FFY 98-03.

SOUTHERN REGION MEDICAID PROFILE

ADDITIONAL STATE HEALTH CARE INFORMATION

Sources: "Issue Briefs", Health Policy Tracking Service, January 2005; "Medicaid Services State by State", CMS, October 2004; and "State Health Facts", The Henry Kaiser Foundation, January 2005.

Waivers

West Virginia has a Freedom of Choice Waiver, under Title XIX, Section 1915 (b), of the Social Security Act. The West Virginia Physician Assured Access System implements a primary care case management program for TANF and TANF-related Medicaid beneficiaries. As of January 2002, serves 80,788 recipients. HCFA approved a 1915(b) waiver to implement Medicaid managed care in 12 counties for acute care health services, effective July of 1999. A total of 63,475 recipients are enrolled statewide in the managed care programs, as of June 2004.

In addition, West Virginia has several Home and Community Based Service Waivers, under Section 1915 (c), which enables the state to provide long-term care services to people who otherwise would require institutionalization. They include:

- Elderly and Disabled: Serves 5,411 people, operating since July 1, 1985.
- Mental Retardation/Developmental Disabilities: Serves 3,800 people, operating since July 1, 1985.

Managed Care

- Any Willing Provider Clause: No

Coverage for Targeted Population

- The Uninsured: The State pays a limited amount of disproportionate share payments to hospitals providing indigent care.

Cost Containment Measures

- Certificate of Need Program since 1977. Regulates introduction or expansion of new institutional health facilities and services. The program was due to sunset in 1996. However, it was extended pending completion of a study of the entire CON program.
- Rate setting. Retrospective payment methodology used for Medicaid.
- West Virginia changed Inpatient Hospital Services reimbursement from Medicare Cost Principal to a Prospective Payment System using DRG's effective January 1, 1996.

Medicaid

- 24 optional services are offered.
- In 1998, implemented a new reporting system to comply with HCFA requirements for electronic transmission of HCFA 2082.
- Enacted legislation in 2001 that requires Medicaid to provide coverage to women that have been screened and diagnosed with breast or cervical cancer (Federally mandated by the Breast and Cervical Cancer Prevention and Treatment Act of 2000).
- Enacted legislation to extend Medicaid coverage to individuals that could be eligible as a result of the federal Ticket to Work and Medicaid Buy-in legislation. The programs will provide services to individuals with disabilities that are required to enable them to gain or keep employment.
- Enacted legislation in 2002 that authorizes the Department of Human Services to negotiate supplemental drug rebates with pharmaceutical manufacturers. The same law provides for the development of a preferred drug list (PDL) in the Medicaid Pharmacy Program.
- In 2004, enacted legislation and/or policy changes in Medicaid as follows:
 1. Initiated a Pharmacy and Therapeutics Committee to clinically evaluate and establish a preferred drug list.

SOUTHERN REGION MEDICAID PROFILE

Children's Health Insurance Program: Medicaid Expansion

- West Virginia's Children's Health Insurance Program received HCFA approval on September 15, 1998. The CHIP program provides health care coverage for children age 1 to 6 in families with incomes up to 150% of the FPL. Phase II of the program, which includes all children/adolescents under age 19 in families with income up to 150% of the FPL, received HCFA approval on April 1, 1999. As of September 2002, there were 35,949 individuals enrolled in the program.
- CHIP expansion ended 09/30/00. The CHIP program took over this population as of 10/01/00.
- In 2000, HCFA approved a state plan amendment that raised the family income limit to 200% of the FPL and authorized co-payments on families with incomes from 150% to 200% of the FPL.
- The program does not charge co-payments for preventive, dental, or vision services. However, co-payments are charged for non-preventive services as follows:

| Service | Co-Pay | |
|----------------------|--------|--------------------|
| Non-well Visit | \$15 | |
| Inpatient Visit | \$25 | |
| Outpatient Service | \$25 | |
| Emergency Room Visit | \$35 | Waived if admitted |
| Prescription | \$5 | Generic |
| | \$10 | Brand Name |

The annual co-pay maximum is \$250 per child, up to \$750 for three or more children.

- In 2002, the CHIP plan received approval from CMS to add cost sharing for pharmaceuticals for recipients at or below 150 percent of the FPL, and to place a lifetime limit of \$1 million on benefits.
- As of June 4, 2005, the state reported that approximately 25,000 children were enrolled in the CHIP program.

Tobacco Settlement

- The state expects to receive approximately \$1.74 billion over 25 years.
- From FY 00 through FY 04, the cumulative tobacco settlement payment was approximately \$269.7 million.
- The state has allocated these funds and compares with the U.S. as follows:

| | WVA | % | U.S. | % |
|--------------------------------|---------------|--------|------------------|--------|
| Tobacco use prevention | \$23,401,000 | 8.7% | \$1,813,423,000 | 4.6% |
| Health services | \$133,398,000 | 49.5% | \$11,824,057,000 | 29.9% |
| Long-term care | \$0 | 0.0% | \$2,200,066,000 | 5.6% |
| Health research | \$0 | 0.0% | \$1,472,863,000 | 3.7% |
| Education | \$0 | 0.0% | \$2,051,182,000 | 5.2% |
| Children and Youth (Nonhealth) | \$0 | 0.0% | \$1,229,719,000 | 3.1% |
| Tobacco Farmers | \$0 | 0.0% | \$1,217,021,000 | 3.1% |
| Endowments and Reserves | \$105,954,000 | 39.3% | \$7,636,209,000 | 19.3% |
| Other | \$6,953,000 | 2.6% | \$10,048,868,000 | 25.4% |
| Total | \$269,706,000 | 100.0% | \$39,493,408,000 | 100.0% |

DEFINITIONS

AFDC: Includes recipients of Aid to Families with Dependent Children and all related categories, unless otherwise specified.

Any Willing Provider Clause: Provision compelling insurers to sign on any provider who agrees to abide by the same terms of the contract and to accept the same payment scheme as those providers currently in the managed care organization.

Capitation: A reimbursement system in which health care providers receive a fixed fee for every patient served, regardless of how many or how few services the patient uses.

Case Management: A technique used by third party payors and self-insured employers to monitor or coordinate treatment for specific diagnosis, particularly those involving high-cost or expensive services.

Certificate of Need (CON): State programs that regulate expenditures for the introduction or expansion of health facilities, institutional health services, and/or the purchase of major medical equipment.

Diagnostic-Related Group (DRG): This is a system in which the hospital receives a fixed fee for each type of medical procedure regardless of the hospital's cost of providing that service.

Fee-for-Service: The traditional way of billing for health care services. There is a separate charge for each patient visit and service provided.

Full Risk Plan: Medicaid enrollees must receive care from a provider who belongs to a participating HMO. Under this plan, if the cost of care rises above the stated capitation rate, the managed care organization or its doctors absorb the cost of care.

Gatekeeper: A component of an independent practice association HMO that requires its subscribers to see a primary physician before seeing a specialist.

Group Practice Association HMO: Type of HMO consisting of three or more physicians who formally align to provide health care to a group based on a pre-negotiated period for a fixed, prepaid rate.

The Centers for Medicare and Medicaid Services (CMS-- formerly HCFA): A federal agency within the Department of Health and Human Services. It was created in 1977 to administer the Medicare and Medicaid programs -- two national health care programs with more than 72 million beneficiaries. While CMS mainly acts as a purchaser of health care services for the Medicare and Medicaid beneficiaries, it also:

- Assures that Medicare and Medicaid are properly administered by its contractors and state agencies;
- Establishes policies for the reimbursement of health care providers;
- Conducts research on the effectiveness of various methods of health care management, treatment, and financing; and
- Assesses the quality of health care facilities and services.

Health Insuring Organization (HIO): An entity that either provides for or arranges for the provision of care and contracts on a prepaid capitated risk basis to provide a comprehensive set of services.

Health Maintenance Organization/Federally Qualified (HMO/FQ): A public or private organization that contracts on a prepaid capitated risk basis to provide a comprehensive set of services and is federally qualified.

Health Maintenance Organization/State Plan Defined (HMO/SPD): A public or private organization that contracts on a prepaid capitated risk basis to provide a comprehensive set of services and is a state defined plan.

Limited Risk Plan: A managed care plan in which the state contracts directly with providers on a per patient basis for certain services, but continues to pay on the fee-for-service for all other care. The state shares the financial risk of providing medical services with the managed care organization.

Managed Care Organization (MCO): A system of care under which a predetermined number of patients are enrolled, for a pre-determined rate for all or part of their care. The most common categories are health maintenance organizations and primary care case management.

Management Service Organization: An organization formed by one or more physician groups to manage their medical practices.

Medicaid Managed Care: A system of care in which a state has moved all or part of its Medicaid recipients into a managed care system. The most common categories are health maintenance organizations and primary care case management.

Medicaid: A national entitlement program funded by the federal government and operated by the individual states. It is designed to provide medical coverage for the poor and specific groups of uninsured.

Medical Saving Accounts: Individual and/or family health funds similar to individual retirement accounts into which employers and employees make tax-deferred contributions.

Network-Model HMO: An HMO that contracts with more than one independent multi-specialty group practice.

Open-Ended HMO: This type of HMO is similar to the traditional HMO. Its advantage is that the user is provided coverage for numerous procedures performed outside the HMO. A traditional HMO requires members to stay within the network for services. The point-of service (POS) plan is an example of an open-ended HMO.

Open Enrollment: One period of time each year when HMOs are required to take applications regardless of the applicants' pre-existing conditions.

Personal Responsibility and Work Opportunity Act of 1996: The recent Welfare Reform Bill signed into law. It provides for sweeping changes in the current welfare system, including the severing of the automatic link between AFDC benefits and Medicaid eligibility.

Physicians Enhanced Program (PEP): The PEP is a voluntary program that links Medicaid recipients to a primary care provider (PCP). The PCP will provide a basic set of services for recipients in their practice and be compensated at the end of each month based on the number of PEP members enrolled in the practice, according to their age, gender, and category of eligibility.

Point-of-Service (POS): A POS plan covers the health care services provided to members who use the network. It is similar to an HMO in that it utilizes a primary care "gatekeeper".

Preferred Provider Organization (PPO): Type of health insurance program in which a group of doctors and hospitals provide a broad range of medical care to a predetermined group of subscribers for a predetermined fee. Under this plan, a third party negotiates discounted rates for services with specific providers. Its members, however, may use providers outside the network but are encouraged by financial incentives to seek care from within the network.

Prepaid Health Plan (PHP): An entity that either contracts on a prepaid, capitated risk basis to provide services that are not risk-comprehensive, or contracts on a non-risk basis. Additionally, some entities that are defined as HMOs are treated as PHPs through statutory exemption.

Primary Care Case Management (PCCM): Programs that use a provider who receives a small fee to manage the individual's care but reimburses on a fee-for-service basis. The primary care case manager is responsible for health care utilization and access to service. This is a freedom of choice waiver program which can be authorized by the authority of Section 1915(b) of the Social Security Act. States contract directly with primary care providers who agree to be responsible for the provision and/or coordination of medical services to Medicaid recipients under their care.

Provider Taxes: Broad-based taxes on facilities, such as hospitals or nursing homes; and services such as pharmaceutical services which are used to generate state Medicaid funds.

Section 1915(b) Waivers: Provision of the Social Security Act that allows states to waive certain programmatic rules governing Medicaid. It is typically used in implementing managed care to implement provider choices. States have generally used one of the following two approaches; capitated or primary care management programs.

Section 1115 Waivers: Provision of the Social Security Act that allows states, subject to HCFA approval, to waive certain requirements of the Medicaid program, such as eligibility rules. These waivers can be used to create small-scale demonstration projects in order to test proposed broad changes in the Medicaid program.

SSI: Includes Supplemental Security Income recipients (or aged, blind and disabled individuals in those states which apply more restrictive eligibility requirements).

T19: All mandatory eligibility groups, as described by Title XIX of the Social Security Act.

Utilization Review: Involves medical professionals who are outside the managed care organization reviewing and evaluating the activities and diagnoses of the individuals within the organization.